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11 UNITED STATES DISTRICT COURT
12
13 NORTHERN DISTRICT OF CALIFORNIA
14
15 SAN FRANCISCO DIVISION

16 SECURITIES AND EXCHANGE
17 COMMISSION,

18 Plaintiff,
19 v.

20 SASAN SABRDARAN, et al.

21 Defendant.

Case No. 3:14-cv-4825 (JSC)

**NOTICE OF LODGING OF
TRANSCRIPTS OF THE VIDEO
DEPOSITION TESTIMONY OF
BALVINDER NIJJAR, SHAHROKH
VASSEGHI, AND SAHAB
SEPAHPOURFARD, AS SHOWN TO
JURY ON TRIAL DAY 7**

Trial Date: October 17, 2016
Honorable Jacqueline Scott Corley
Courtroom D, 15th Floor

22 Attached as Exhibit 1 are the transcripts of the deposition testimony of Balvinder Nijjar,
23 Shahrokh Vasseghi, and Sahab Sepahpourfard as presented to the jury by video on October 31,
24 2016 (Trial Day 7).

25 Dated: October 31, 2016

Respectfully submitted,

26 /s/ Kenneth W. Donnelly
KENNETH W. DONNELLY
JAMES E. SMITH

27 Attorneys for Plaintiff
28 SECURITIES AND EXCHANGE COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of October 2016, I caused the foregoing to be filed via the Court's ECF system and for additional copies to be served on the following parties via electronic mail:

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FARHANG AFSARPOUR

/s/ Kenneth W. Donnelly
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Exhibit 1

Case Clip(s) Detailed Report
Monday, October 31, 2016, 5:12:11 PM

SEC v Sabrdaran

 Nijjar, Balvinder (Vol. 01) - 10/26/2015

1 CLIP (RUNNING 01:18:40.659)

 DIRECT

BN-1026-0000710-001-001

39 SEGMENTS (RUNNING 01:18:40.659)



1. PAGE 6:06 TO 6:25 (RUNNING 00:01:11.451)

06 THE VIDEOGRAPHER: Thank you.
07 Would the Court Reporter please swear in the
08 witness and we can proceed.
09 Mr Balvinder Nijjar
10 having been duly sworn
11 testified as follows:
12 EXAMINED BY MR DONNELLY:
13 MR DONNELLY: Welcome, Mr Nijjar.
14 Thank you.
15 THE WITNESS: Thank you.
16 MR DONNELLY: You know my name is
17 Ken Donnelly and I am one of the attorneys
18 representing the Securities and Exchange
19 Commission in this case. My colleague with me
20 here today is Jim Smith.
21 Q. I will be asking the first set of
22 questions and then that will be followed by any
23 questioning that counsel for the defendants would
24 like to make of you; do you understand that?
25 A. Yes.

2. PAGE 7:08 TO 7:12 (RUNNING 00:00:15.598)

08 Q. Will you, please, spell for the
09 Court Reporter your entire name?
10 A. It is Balvinder Nijjar. It is
11 B-A-L-V-I-N-D-E-R and the surname is Nijjar, is
12 N-I-J-J-A-R.

3. PAGE 8:02 TO 8:18 (RUNNING 00:00:30.016)

02 Q. And does your passport correctly
03 indicate that you are a citizen of the United
04 Kingdom?
05 A. Yes.
06 Q. And are you a citizen of any other
07 country?
08 A. Yes.
09 Q. And were you born in the UK?
10 A. No.
11 Q. Where were you born?
12 A. In India. Punjab.
13 Q. And do you regularly visit any
14 country other than India or the United Kingdom?
15 A. I have not visited any country yet.
16 Q. Have you been to the United States?
17 A. I went in 1981 I think it was and
18 2001.

4. PAGE 9:02 TO 12:24 (RUNNING 00:04:22.023)

02 Q. That is sufficient. Where in the
03 United Kingdom do you live, sir?
04 A. Manchester.
05 Q. And for how long have you lived in
06 Manchester?

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07 A. Moved here in 1985.
 08 Q. What is it that you do for a
 09 living?
 10 A. I am a pharmacist.
 11 Q. And where do you work as a
 12 pharmacist?
 13 A. It is a small pharmacy about half a
 14 mile from here.
 15 Q. And that is in Manchester?
 16 A. Yes.
 17 Q. And what is the name of your
 18 pharmacy?
 19 A. Faith Pharmacy.
 20 Q. And were you a pharmacist at Faith
 21 Pharmacy in December of 2010?
 22 A. Yes.
 23 Q. What kind of annual income were you
 24 making as a pharmacist at Faith Pharmacy in
 25 Manchester in December of 2010?
 00010:01 A. Normally in those days the pharmacy
 02 turned anything between \$40,000 to \$55,000 a year.
 03 Q. Do you know an individual named
 04 Farhang Afsarpour?
 05 A. Yes.
 06 Q. Does he also live in Manchester?
 07 A. Yes.
 08 Q. How do you know he lives in
 09 Manchester?
 10 A. I have known him for a very long
 11 time, 20 years. So he has got businesses in
 12 Manchester. He has his residence in Manchester.
 13 I have seen him. I know where he lives so that is
 14 it. I know he lives in Manchester.
 15 Q. Have you frequently been to his
 16 home?
 17 A. No.
 18 Q. How often would you say you have
 19 been to his home?
 20 A. I think there was a phase when we
 21 were trading partners back in 2002 or '3 that we
 22 used to compare notes on trading. Then I think I
 23 spent a whole week at his flat during the time
 24 that he -- other than that maybe once every
 25 2 years or something.
 00011:01 Q. Just very briefly, could you
 02 elaborate on what you mean by being a trading
 03 partner with Mr Afsarpour?
 04 A. Well, we thought we could trade
 05 together, compare notes and see who is doing what,
 06 learn from each other and we decided to do very
 07 short-term trading on the NASDAQ index.
 08 Q. So when you refer to Mr Afsarpour
 09 as a former trading partner you are referring to
 10 trading in securities and other financial
 11 instruments?
 12 A. No, for that particular week just
 13 for the NASDAQ index. We were just trying to test
 14 the method out.
 15 Q. And would you explain what the
 16 NASDAQ index is, please?
 17 A. It is one of the indexes which
 18 comprises majority of the technology companies in
 19 the United States.
 20 Q. So you have known Mr Afsarpour for
 21 20 years or so?
 22 A. I bought my first car from his

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23 garage back in 1989 or something, so I would
 24 imagine that is 25 years.
 25 Q. How would you describe the status
 00012:01 and the nature of your relationship with
 02 Mr Afsarpour in -- at the end of 2010?
 03 A. We were still friends, as we always
 04 have been. Nothing different. I did not see
 05 anything different at all.
 06 Q. Did you frequently talk with
 07 Mr Afsarpour about any financial investments?
 08 A. Yes, we talked about financial
 09 investments all the time.
 10 Q. Are you aware that Mr Afsarpour is
 11 a defendant in this case?
 12 A. Yes, I realise that now.
 13 Q. And have you been close enough to
 14 Mr Afsarpour that he has asked you to manage his
 15 investments while he travelled?
 16 A. Once.
 17 Q. And could you describe that,
 18 please?
 19 A. Yes, he had one of the stock broker
 20 accounts. I cannot remember whether it was IG
 21 Index or CMC Markets. He went away and he said,
 22 "would you please keep an eye on it". He gave me
 23 his password to log. And I looked at it and that
 24 only lasted about a week and that is it.

5. PAGE 14:08 TO 14:19 (RUNNING 00:00:42.491)

08 Q. Okay. And have you ever made an
 09 investment through a spread betting firm?
 10 A. Yes.
 11 Q. What is a spread betting firm?
 12 A. It is -- from what I make of it it
 13 is -- they make artificial prices based on the
 14 underlying security. And you bet on those prices
 15 with a view to predicting whether they will go up
 16 or down. In both cases either you make money or
 17 you lose money depending on your position in the
 18 market. There is no physical securities at all. It
 19 is purely speculation on numbers.

6. PAGE 14:20 TO 15:08 (RUNNING 00:00:33.334)

20 Q. Okay. And which spread betting
 21 firms have you personally made an investment
 22 through?
 23 A. I have made it -- I will not say
 24 they are investments, they are more like trading
 25 investments would be, say, long-term, but this was
 00015:01 trading. Speculation on the short-term.
 02 Q. All right, so we will call it
 03 trades.
 04 A. Yes, it would be IG Index and the
 05 CMC Markets.
 06 Q. And in 2010 did you have a spread
 07 betting account with IG Index?
 08 A. Yes.

7. PAGE 27:02 TO 28:04 (RUNNING 00:01:23.198)

02 Q. And in December 2010, did you
 03 eventually come to place spread bets in this
 04 account relating to a company in the United
 05 States?
 06 A. One trade that I did on that. As
 07 well as the indices. I do not know --

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08 Q. We will get into that.
09 A. -- sorry.
10 Q. So which US company did you place a
11 spread bet on in this account?
12 A. I placed bets on the index, the Dow
13 Jones industrial average, FTSE 100 and a company
14 called InterMune.
15 Q. InterMune?
16 A. Yes.
17 Q. Okay. I would like to show you now
18 some trading records that we received from IG
19 Index.
20 A. Yes.
21 Q. These are statements that are dated
22 December 14th, December 15th, December 16th,
23 December 17th, December 28th and December -- hold
24 on -- December 21st. And the statements relate to
25 trading that you did from the time period of
00028:01 December 13th through December 20th, okay? And
02 just for the record I will identify the Bates
03 numbers of this next exhibit which we will have
04 marked as Exhibit 20. The Bates number range is

8. PAGE 28:07 TO 30:13 (RUNNING 00:02:46.288)

07 (Exhibit 20 marked for identification)
08 Sir, take a look at these -- Exhibit 20 and just
09 confirm for me that you recognise these statements
10 and that they relate to the dates that I
11 mentioned?
12 A. Yes.
13 Q. Were these the kinds of statements
14 provided to you by IG?
15 A. Yes.
16 Q. And do these records accurately
17 reflect your spread betting activity at IG Index
18 on the dates of December 13th through December
19 20th?
20 A. Yes.
21 Q. I would like to now take a look at
22 a specific transaction in the company with the
23 trading symbol ITMN. Let me show you that. If
24 you will turn to the document that is numbered
25 0001177, are you there?
00029:01 A. Yes.
02 Q. Do you see the symbol -- actually
03 do you see the name, "InterMune Inc"?
04 A. Yes.
05 Q. Okay.
06 A. Is it under the: "Orders to open
07 new positions"?
08 Q. Yes, do you see that?
09 A. Yes.
10 Q. Did you place an order with IG to
11 open a new position with respect to InterMune Inc?
12 A. Yes.
13 Q. Describe for me the order that you
14 placed that is reflected on this page of Exhibit
15 20.
16 A. It was an order placed for #10 a
17 point for this particular company's price to go
18 down to \$12.50, at which point I will probably
19 enter the market at #10 a point.
20 Q. So you were seeking to enter at #10
21 a point in order for the company's stock to go up
22 in value?
23 A. Yes.

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24 Q. Where were you when you placed this
25 order?
00030:01 A. I cannot be 100 per cent sure, but
02 looking at the time when it was placed at 5.00 or
03 6.00 chances are fairly good that I would be at
04 work.
05 Q. Do you remember if you placed this
06 order by on-line or by telephone?
07 A. On-line.
08 Q. How are you so sure of that?
09 A. Well, I cannot be sure of that, but
10 that is how the majority of my trading was done.
11 Q. And how are you connected on-line
12 at work?
13 A. Through the Internet.

9. PAGE 30:22 TO 31:03 (RUNNING 00:00:18.116)

22 Q. What -- in what way were you
23 connected to the Internet at work in 2010?
24 A. We had to install a separate line
25 purely for the trading purposes that I was going
00031:01 to do. And that line was purely connected to my
02 computer alone. The pharmacy had its own internet
03 connections outside of the dispensary.

10. PAGE 31:12 TO 39:20 (RUNNING 00:10:08.343)

12 Q. Were you with Mr Afsarpour when you
13 placed this order?
14 A. Not at 5 past -- 6 past 5.00. I
15 would be at work. I cannot recall 5 years ago,
16 but looking at the time I should have been at
17 work.
18 Q. Okay. Now, what had you interested
19 in placing a spread bet on a company such as
20 InterMune on December 14, 2010?
21 A. I think we have been through the
22 whole thing only a couple of days ago, and we have
23 done that a few years ago as well. Unless you
24 intend me to go through the whole scenario what
25 happened.
00032:01 Q. I just want for this official
02 record you to answer how is it you became
03 interested in the company InterMune on NASDAQ in
04 the United States in placing a spread bet on that
05 company as of December 14, 2010?
06 A. Right. What happened was I was
07 actually testing my own method when -- like always
08 Mr Afsarpour always pointing out these companies
09 to me. He pointed out, have a look at InterMune
10 chart, see what you think.
11 Prior to this happening a few days,
12 maybe a week or maybe more, I looked at a chart
13 and I told him that I do not actually see
14 anything, therefore, I would not be doing anything
15 because it does not meet my criteria to carry out
16 a trade.
17 Then during conversations which we
18 always had he said to me have a look again, see if
19 the chart has changed, which I did look, and the
20 chart had changed. The price had moved, and my
21 criteria for a trade was there.
22 Now, normally I would not be
23 trading, but because it was just there pointed out
24 I had a look at it and it looked like it could
25 make a little bit of money so I placed that limit
00033:01 order to buy at \$12.50 if the price ever goes down

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02 there. But I do not think that order ever got hit.
03 Then the --
04 Q. All right. Let me back up. That is
05 fine. You are doing fine. Now, you said you
06 were -- you felt your criteria was met?
07 A. Yes.
08 Q. How did you determine that your
09 criteria had been met for this trade?
10 A. One of the criteria was that the
11 price has to be going up on a higher volume than
12 normal to -- it had to close above the 50-day
13 moving average or some average. I cannot remember
14 what average I was using at the time. And all
15 those things tallied, as well as the option's
16 volatility had gone up prior, a couple of days
17 prior to me placing the order which indicates that
18 this stock might go up. It is not definite, but it
19 might go up. That is why that limit order was
20 placed that hopefully it will come back down.
21 Then it will hit my order, but it did not.
22 Q. But do I understand correctly for
23 you to have said that you do not remember the
24 exact criteria because you cannot remember the
25 moving average?
00034:01 A. I know a moving average was used,
02 but having said that, when we were testing our
03 other NASDAQ trading a few years prior to that our
04 moving average lengths were different. Moving
05 average was one of the criteria that might have
06 been different. I remember vaguely that it might
07 have a 50-day moving average.
08 Q. When you say "we" you are talking
09 about you and Mr Afsarpour testing these theories?
10 A. Those were on the NASDAQ index a
11 good few years before that.
12 Q. Right, but you are talking about
13 testing this with Mr Afsarpour, correct?
14 A. Yes, we sat together and we traded
15 together. And we lost a lot of money in the
16 process.
17 Q. You know approximately when
18 Mr Afsarpour called you back to say look at it
19 again, as you say?
20 A. Because we used to trade a lot we
21 were talking every day. He could have said that
22 on any day. Nothing specific. He did not
23 specifically pick up the phone and said can you
24 have a look at that. It would have been during a
25 conversation about other things too.
00035:01 Q. Would you have ever made this --
02 would you have ever placed this order except with
03 Mr Afsarpour's prompting?
04 A. Probably not.
05 Q. Were you looking at all to place
06 any spread bets on a company in the United States?
07 A. No.
08 Q. Did Mr Afsarpour tell you at any
09 time that InterMune was seeking regulatory
10 approval to market a drug?
11 A. No.
12 Q. Did he tell you at any time that it
13 was likely that InterMune would receive approval
14 for such a drug?
15 A. No.
16 Q. To what extent did he share
17 anything with you about the company other than

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18 moving averages and the other things you said?
19 A. Majority of the time it was purely
20 technical analysis. But I asked him why would you
21 be interested in such a company, he said because
22 these volatile companies when they make
23 announcements their share prices change. That is
24 about it.

00036:01 25 Q. In December of 2010, how many times
02 would you say you spoke to Mr Afsarpour about
03 InterMune?
04 A. Not many. Maybe once or twice. But
05 we talked a lot about other things, other charts
06 and other indices. About InterMune very little.

07 Q. Is this the first time you had
08 placed a spread bet on a company in your spread
09 betting account with IG Index?
10 A. No. I have placed spread
11 betting -- spread bets on companies long before
12 that. I just cannot understand why they were
13 saying that we just opened the account when I was
14 trading with them years before that as well.
15 Honestly I shut that account down. I did not
16 trade for a while.

17 Q. I see. Did Mr Afsarpour ever tell
18 you that he had a close friend at InterMune?
19 A. No.

20 Q. Did he ever tell you he knew anyone
21 at InterMune?
22 A. No.

23 Q. Now, after the trade did you place
24 spread bets on other items that Mr Afsarpour had
25 recommended at this time?

00037:01 25 A. Not at this time. But we have done
02 together on other things like indices.
03 Q. Okay. Looking at this 1st
04 December 14th order to open a new position you
05 testified that was never filled because the price
06 never dropped sufficiently for the order to be
07 filled, is that correct?
08 A. Yes.

09 Q. That in this particular order you
10 were looking if it should be filled for the price
11 of InterMune stock to rise, is that correct?
12 A. Normally when something goes up
13 like that it normally tends to do a little pull
14 back. In fact, it is just a standard in virtually
15 all markets. When something rises rapidly it does
16 a pull back. And that normally is time for me to
17 get in. That is when I place the order at that
18 point.

19 Q. So do I understand correctly you
20 were looking for it to go up, but you were waiting
21 to it to pull back just a bit to buy it so then it
22 would go up even more?
23 A. Yes, absolutely.

24 Q. Now, that is a trade that we -- or
25 not a trade, but an actual order that was never
00038:01 25 filled?
02 A. Yes.
03 Q. That you entered on December 14th
04 around 5.06 pm?
05 A. Yes.

06 Q. Did there come a time later that
07 you entered another spread bet as it relates to
08 the securities of InterMune?
09 A. Not a spread bet, no.

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09 Q. Two days later did you place
 10 another trade with IG Index relating to InterMune?
 11 A. Yes, I did.
 12 Q. Let us look at that. If I could
 13 turn you to what is Bates labelled in Exhibit 20
 14 SEC-IG-Group-E-0001181; do you see that?
 15 A. Yes.
 16 Q. Okay. Do you remember placing this
 17 trade?
 18 A. Yes.
 19 Q. Can you describe for me the trade
 20 you placed there that is indicated under the
 21 heading: "Financial Current Open Positions"?
 22 A. Yes, I placed an order for 50
 23 options to be bought at the going price at the
 24 time.
 25 Q. Okay. And what options were you
 00039:01 seeking to place a bet on?
 02 A. How do you mean what option?
 03 Q. Were you seeking to place a bet on
 04 the direction of the options?
 05 A. Well, absolutely. I still believe
 06 looking at the chart that the share price would go
 07 up a couple of dollars maybe. So I worked out
 08 where it is likely to go. I placed the order
 09 according to that.
 10 Q. Did you have any conversations with
 11 Mr Afsarpour between December 14th and December
 12 16th that prompted you to now place this kind of
 13 trade?
 14 A. I cannot recall any specific one
 15 about this particular trade. I might have said,
 16 yes, it is likely to go because the criteria was
 17 met. I thought I would go and place an order at a
 18 low risk.
 19 Q. Is it fair to say this is a fairly
 20 leveraged trade?

11. PAGE 39:24 TO 40:03 (RUNNING 00:00:14.544)

24 A. All trading that we did was
 25 leveraged. Nothing is where you put 100 per cent
 00040:01 of the money. Everything is traded on margin,
 02 whether it was the options or the spread betting.
 03 It is all leveraged.

12. PAGE 41:03 TO 41:06 (RUNNING 00:00:07.842)

03 Q. How did you place this trade, to
 04 your recollection?
 05 A. I cannot remember exactly, but I
 06 think I made a phone call to him.

13. PAGE 41:10 TO 49:01 (RUNNING 00:06:48.595)

10 Q. I would like to now mark as
 11 Exhibits 21, 22 and 23 three additional wav files
 12 and play those. The Bates numbers are
 13 SEC-IGGroup-E-0001623, 1625 and 1626. And
 14 according to IG's records these are phone calls
 15 that occurred on December 16, 2010. And I will
 16 play those. My question will be the same as
 17 before, if you recognise this as your voice?
 18 A. Sure.
 19 (Fourth audio recording played)
 20 "HANNAH IG: IG, Hannah speaking.
 21 MR NIJJAR: Oh, hi, can I place an
 22 order to buy some options, please?

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23 HANNAH IG: Yes, sure, so was it
24 equity options?
25 MR NIJJAR: Sorry?
00042:01 HANNAH IG: You want to buy some
02 options? Is it equity options?
03 MR NIJJAR: Yes, please.
04 HANNAH IG: That is fine. I will
05 put you through to -- have you got your account
06 number there?
07 MR NIJJAR: Yes, I have.
08 HANNAH IG: Well, when you are
09 ready can I take it?
10 MR NIJJAR: Sorry about that. I am
11 just trying to look on this chart. I never placed
12 an order --
13 HANNAH IG: I can put your user
14 name if that is easier.
15 MR NIJJAR: Okay, user name is
16 N3468.
17 HANNAH IG: Yes. That is
18 excellent. And your full name?
19 MR NIJJAR: It is Mr Balvinder
20 Nijjar.
21 HANNAH IG: Okay. Did you say it
22 was 3468 the number?
23 MR NIJJAR: N3468. Yes.
24 HANNAH IG: I have got nothing
25 coming up in your name for that.
00043:01 MR NIJJAR: That is my user name,
02 yes.
03 HANNAH IG: Okay. Can I just take
04 your post code?
05 MR NIJJAR: SK8 5JS.
06 HANNAH IG: Okay. And right, so
07 can I just take your full name again. Sorry.
08 MR NIJJAR: Yes, it is Mr Balvinder
09 Nijjar.
10 HANNAH IG: That is fine. Have you
11 got a few accounts with us?
12 MR NIJJAR: No, the other one is my
13 wife's. I do not think she is doing anything on
14 it.
15 HANNAH IG: And it is a spread
16 betting account, isn't it?
17 MR NIJJAR: They are both spread
18 betting accounts.
19 HANNAH IG: Yes. That is fine. So I
20 have this as your main account. That is fine. What
21 I will do is I will get you through to a dealer
22 now, sir. Thank you.
23 MR NIJJAR: Thank you very much.
24 (Fifth audio recording)
25 MALE SPEAKER: -- to the options
00044:01 desk, how can I help?
02 MR NIJJAR: Oh, hi, can I get a
03 quote on some options, please?
04 MALE SPEAKER: You can, yes.
05 MR NIJJAR: The ticker symbol is
06 ITMN.
07 MALE SPEAKER: Right. My
08 apologies, is it an option on a share, is that
09 right?
10 MR NIJJAR: Yes, it is. It is a
11 United States NASDAQ.
12 MALE SPEAKER: Cool. What I will
13 do is I will just pass you over to our equities

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14 guys. They will sort you out.
15 MR NIJJAR: Thanks.
16 (Sixth audio recording)
17 FEMALE SPEAKER: (Unintelligible)
18 speaking.
19 MR NIJJAR: Hello.
20 FEMALE SPEAKER: Hi, how may I
21 help?
22 MR NIJJAR: Oh, hi, can I get a
23 quote on some options, please?
24 FEMALE SPEAKER: Yes, which ones
25 are you after?
00045:01 MR NIJJAR: It is the ticker symbol
02 ITMN.
03 FEMALE SPEAKER: Okay, yes, and
04 which option would you like?
05 MR NIJJAR: It is the 1400 January
06 call brief (?)
07 FEMALE SPEAKER: Bear with me one
08 second. (Pause) Okay \$40 quarter January market
09 level.
10 MR NIJJAR: Yes.
11 FEMALE SPEAKER: The spread is
12 quite wide, the market is 164 at 187.
13 MR NIJJAR: 164 and 187?
14 FEMALE SPEAKER: Mmm hmmm. Yes.
15 MR NIJJAR: Okay. Have you got my
16 card number there?
17 FEMALE SPEAKER: Yes, can you just
18 confirm your name.
19 MR NIJJAR: Yes, it is Mr Nijjar.
20 FEMALE SPEAKER: Yes.
21 MR NIJJAR: Can you buy me 100 of
22 the 187, please?
23 FEMALE SPEAKER: Buying 100 lots,
24 we will have to work in orders for you and we
25 charge (unintelligible) what is your limit?
00046:01 MR NIJJAR: Oh, I do not know. I
02 never placed an order on the phone before.
03 FEMALE SPEAKER: Okay, because we
04 are going to have to put this into the market.
05 MR NIJJAR: Right.
06 FEMALE SPEAKER: And it is moving
07 around a lot. So it is better if you leave me a
08 limit of where you are happy to trade up to.
09 MR NIJJAR: All right. Okay. Let me
10 see. Just that, please. Just place the order. If
11 it gets hit that is fine. If it does not then we
12 will leave it.
13 FEMALE SPEAKER: Okay. So your
14 limit is 187 the market?
15 MR NIJJAR: Yes.
16 FEMALE SPEAKER: Okay, yes. I will
17 put it in for you. And what was the other one?
18 MR NIJJAR: That is it.
19 FEMALE SPEAKER: Okay, then. That
20 is fine. I will work that for you.
21 MR NIJJAR: So what have we got?
22 1500? 1400 call?
23 FEMALE SPEAKER: Call for January.
24 Looking to buy 100 lots at 187 and that will be
25 192 to you.
00047:01 MR NIJJAR: 192?
02 FEMALE SPEAKER: Yes, once that
03 gets filled.
04 MR NIJJAR: Okay. How much is that

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05 all together money wise?
06 FEMALE SPEAKER: That will be the
07 100, which is your lot size multiplied by the 192,
08 which is your entry level will be \$19,200.
09 MR NIJJAR: Oh, okay. Sorry about
10 this, can you just make it 50 for me then?
11 FEMALE SPEAKER: You want 50 lots
12 instead?
13 MR NIJJAR: Yes, please.
14 FEMALE SPEAKER: Yes, that is fine.
15 That is reduced to 50.
16 MR NIJJAR: Okay, thank you very
17 much.
18 FEMALE SPEAKER: Okay. You are
19 welcome.
20 MR NIJJAR: Bye.
21 FEMALE SPEAKER: Bye."
22 BY MR DONNELLY:
23 Q. Okay, Mr Nijjar, is that you on
24 those calls?
25 A. Yes, it is.
00048:01 Q. And is the content of the recording
02 accurate to your knowledge?
03 A. Yes, it must be. It is recorded.
04 Q. Is there any reason you telephoned
05 IG to place this particular entry?
06 A. Yes, I could not find it on their
07 platform itself.
08 Q. You could not find InterMune on?
09 A. On their platform.
10 Q. On-line platform?
11 A. That is right.
12 Q. And I noticed in the call that the
13 IG representative said something about putting
14 this into the market, did you understand what she
15 meant by that?
16 A. I thought she was going to place a
17 market order.
18 Q. What do you mean by market order?
19 A. Whatever price is going she will
20 get it for you.
21 Q. So your plan was to authorise her
22 to do that, is that right?
23 A. No, she told me the spread. I buy
24 it at 187. But then she suddenly said it is
25 moving around a lot. According to that recording
00049:01 anyway. Then I thought okay buy it at market.

14. PAGE 49:12 TO 54:22 (RUNNING 00:06:07.727)

12 MR DONNELLY: Now, I also noticed
13 on the call that you recorded a price in US
14 dollars of \$19,200 to purchase 100 spread bets on
15 the January 11th options.
16 A. Yes.
17 Q. Did you have sufficient funds in
18 your account at that time to place that size of
19 trade?
20 A. Yes.
21 Q. You did?
22 A. Yes.
23 Q. Do you have any recollection as to
24 why you changed your mind?
25 A. It is because I was not going to
00050:01 take a lot of risk on it. It was purely a gamble
02 which I was hoping to take based on the chart.
03 And I was not going to risk unnecessary amounts of

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04 money on a little gamble.
05 Q. Now as it turned out you risked
06 \$9,600, is that correct?
07 A. That is right, which amounts to
08 just under \$6,000, \$7,000. And I had more than
09 \$20,000 in my account.
10 Q. Now when you placed these trades
11 had you done any research concerning InterMune
12 whatsoever other than looking at the technicals?
13 A. I only look at the technicals.
14 Q. And had you looked at the
15 company -- any of the company's press releases?
16 A. No.
17 Q. Had you looked at any of the
18 company's business models?
19 A. No.
20 Q. Did you know anything about their
21 business?
22 A. No.
23 Q. Other than your look at the
24 technicals was the entirety of your knowledge of
25 InterMune based on your conversations with
00051:01 Mr Afsarpour?
02 A. No, the majority of it is based on
03 the analysis of the chart.
04 Q. Was this particular December 16th
05 spread bet successful for you?
06 A. Well, I was hoping it would be.
07 That is the reason I placed the order.
08 Q. Yes or no? Was it successful?
09 A. Yes.
10 Q. And looking at the close of
11 business statement, December 21st statement which
12 is close of business December 20th, I will direct
13 you to SEC-IGGroup-E-0001186, that is Exhibit 20,
14 the same set of statements as we were in before.
15 What does it indicate your running profit was as
16 of the close of business December 20th 2010?
17 A. It has gone up substantially.
18 Q. What was your running profit as of
19 that time on this particular trade?
20 A. Because the InterMune price
21 suddenly shot up to way above where I expected it
22 to go I expected to go 16, but I do not know where
23 it went actually. It must have gone much higher.
24 I can say that from the price of the option that I
25 bought had gone up. I do not know what the actual
00052:01 price would have been of the underlying share.
02 Q. Well, it indicates here that the
03 latest level was 2200, do you see that?
04 A. Yes.
05 Q. And that your deposit required US
06 \$9,600?
07 A. Yes.
08 Q. But that the running profit at this
09 time was more than US \$100,000?
10 A. Absolutely.
11 Q. You agree with that?
12 A. Yes.
13 Q. Had you ever before placed a spread
14 bet on options in this IG Index account?
15 A. Absolutely. Many, many times.
16 Q. On options?
17 A. Yes.
18 Q. So is it fair to say you are pretty
19 familiar with how options worked?

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20 A. I had a basic knowledge of it.
 21 Q. Do you have an email address,
 22 Mr Nijjar, that you used in 2010?
 23 A. My email address has not changed
 24 for the last 20 years.
 25 Q. What was it?
 00053:01 A. It is baltrade@aol.com.
 02 Q. Did you use that address also in
 03 2011 ?
 04 A. I would imagine so, yes.
 05 Q. Did you communicate with
 06 Mr Afsarpour using that email address?
 07 A. I normally communicated with him by
 08 phone.
 09 Q. Okay.
 10 A. Unless he is out of the country in
 11 which case we use the email.
 12 Q. Can you just identify for the
 13 record your work home and cellular telephone
 14 numbers that you were using in 2010 and 2011?
 15 A. My home telephone number is 0161
 16 4862686. Hardly ever use it nowadays, begin to
 17 forget. But the work number is 0161 232 8044.
 18 Q. And your cell number at that time
 19 in 2010?
 20 A. I still do not remember my cell
 21 number. I can take my phone out now and read it
 22 to you if you like.
 23 Q. Please.
 24 A. It is 07747064518.
 25 Q. With your cell phone out could you
 00054:01 look at your home number again?
 02 A. Yes, it is 0161 4852686.
 03 Q. Thank you. In 2010, did you receive
 04 text messages on your cell phone?
 05 A. I receive text messages all the
 06 time.
 07 Q. And did you sometimes exchange
 08 text messages with Mr Afsarpour?
 09 A. Yes.
 10 Q. How often would you say you texted
 11 or received texts from Mr Afsarpour in late 2010?
 12 A. I have very few text messages with
 13 Mr Afsarpour.
 14 Q. And did you more frequently talk to
 15 Mr Afsarpour?
 16 A. Yes.
 17 Q. And did you telephone him on a
 18 regular basis?
 19 A. Or he would telephone me.
 20 Q. I would like to get marked two
 21 additional exhibits, 24 and 25.
 22 (Exhibit 24 marked for identification)

15. PAGE 54:23 TO 56:24 (RUNNING 00:02:30.808)

23 (Exhibit 25 marked for identification)
 24 You can put aside your trading records and just
 25 focus on Exhibit 24 and 25 for just a minute. We
 00055:01 are close to finished. Now, you have before you
 02 some records that were produced by your friend,
 03 Mr Afsarpour, to the SEC. These are records that
 04 he purported contained his telephone logs; do you
 05 see these, sir?
 06 A. Yes.
 07 Q. I want to direct you to various
 08 lines in the records and if you could look first

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09 at Exhibit 24, if you look on the third page of
10 Exhibit 24, please?
11 A. Yes.
12 Q. And looking down through the third
13 page there is a notation on December 10th, 2010,
14 at 13.53; do you see that?
15 A. On page 3?
16 Q. The third page, actually one back,
17 sir. I am sorry, it is page 2. It has page 2
18 written on it. You see page 2, the December 10th,
19 2010, at 15.53; do you see that?
20 A. Oh, yes.
21 Q. You see that?
22 A. Yes.
23 Q. That is your phone number there
24 that ends in 8044?
25 A. Yes, it is.
00056:01 Q. That is?
02 A. Yes.
03 Q. And do you see two lines down at
04 12.11 on December 11th a phone number that is
05 familiar to you?
06 A. December 11th?
07 Q. 12.11.
08 A. Yes.
09 Q. Is that your number too?
10 A. Yes, it is.
11 Q. And looking down on December 13th
12 at 20.05; is that your phone number?
13 A. Yes.
14 Q. And looking two lines down,
15 December 13th, 2010, at 23.21, that would 11.21 in
16 the evening; is that your phone number?
17 A. Yes.
18 Q. Looking down almost to the bottom,
19 December 17, 2010, at 16.35, 4.35 in the
20 afternoon; is that your phone number?
21 A. Yes.
22 Q. And just below it is that also your
23 phone number?
24 A. It is, yes.

16. PAGE 57:10 TO 58:15 (RUNNING 00:01:37.200)

10 Q. Okay. If you will turn to page 3,
11 the next page?
12 A. Yes.
13 Q. There is a number on December 18th
14 at 18.24 that ends in 2686; is that your
15 telephone?
16 A. Yes, it is.
17 Q. And just below it is another
18 telephone?
19 A. Yes.
20 Q. That is yours?
21 A. Yes.
22 Q. If you could turn to Exhibit 25,
23 and I am going to direct you to the page that is
24 marked SEC-FARH-0000019.
25 A. Yes.
00058:01 Q. I am looking about a third of the
02 way down the page on December 13th at 20.47 or
03 10.47 pm; is that your cellular phone number?
04 A. Yes.
05 Q. And just below it, at 21.06, 11.06
06 at night, is that yours?
07 A. Yes.

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08 Q. 9.06 at night, excuse me. And then
 09 if you go down about three quarters of the way
 10 down December 15th 2010, at 11.55 am?
 11 A. Yes.
 12 Q. Is that your phone number?
 13 A. It is, yes.
 14 Q. It is?
 15 A. Yes.

17. PAGE 59:01 TO 59:18 (RUNNING 00:00:32.171)

00059:01 Q. Can you recall -- as you sit here
 02 today can you recall anything about any of these
 03 calls or texts that you are willing to share with
 04 us?
 05 A. I have no idea.
 06 Q. Okay.
 07 A. We talked a lot on the phone
 08 virtually every day.
 09 Q. Okay.
 10 A. That is when he was in the country.
 11 Q. All right.
 12 A. For me to remember those
 13 conversations, no.
 14 Q. Now, is it true, sir, that if you
 15 were to -- if you were seen to have engaged in
 16 violating the laws against insider trading you
 17 could lose your pharmaceutical licence?
 18 A. Yes.

18. PAGE 59:22 TO 59:25 (RUNNING 00:00:05.838)

22 Q. Yes?
 23 A. Absolutely aware of that.
 24 Q. You believe that to be true?
 25 A. Yes.

19. PAGE 60:11 TO 61:15 (RUNNING 00:01:10.143)

11 Q. Mr Nijjar, just as we were going
 12 off the record I think you wanted to clarify your
 13 last answer and we were in the process of going
 14 off the record so I figured it best just to wait
 15 until we get back on. Why don't you go ahead and
 16 clarify the answer to the last question I asked
 17 you, sir?
 18 A. I think your last question was
 19 whether I knew that I would be struck off from the
 20 pharmacy if the General Pharmaceutical Council
 21 knew that I was doing insider trading. The answer
 22 to that question would be that, no, I cannot be
 23 sure because I have no idea. Nobody has ever been
 24 brought in front of them for that particular
 25 reason. So I do not know what the outcome of that
 00061:01 would be.
 02 Q. It is an outcome that concerns you,
 03 though, is that correct?
 04 A. No, it does not because I have not
 05 done any insider trading. No, it does not concern
 06 me at all.
 07 Q. If you were to have been found to
 08 have engaged in insider trading, and I know that
 09 is not alleged against you in this case, would you
 10 be concerned about losing your pharmaceutical
 11 licence?
 12 A. I would not say to you just to do
 13 with the insider trading. If I was caught driving
 14 while drinking I would be very concerned of any

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15 illegal activity.

20. PAGE 61:23 TO 63:11 (RUNNING 00:01:55.925)

23 Q. When you opened your account at IG
24 Index did you receive any information about how IG
25 Index worked?
00062:01 A. No, because I already knew how IG
02 Index worked. I was trading. I do not know why
03 they are saying it is a new account. I was
04 trading with them for a long time. It is quite
05 possible that I was trading it on my wife's
06 account.
07 Q. Were materials made available
08 on-line at IG Index for you to review that
09 described to you how IG Index worked?
10 A. Oh, absolutely. Everything is
11 available on-line to read.
12 Q. Including customer agreements and
13 customer disclosures and all of that?
14 A. Yes, absolutely.
15 Q. And switching subjects here, it is
16 a little unclear from your testimony, and I just
17 want to get your best recollection, I know it is a
18 little dated, when did you first learn from
19 Mr Afsarpour anything about InterMune? When did
20 he first suggest to you that it is a company you
21 should look at?
22 A. He was talking about it long before
23 that. He mentioned it in conversations that he is
24 looking at a company called InterMune. Like he
25 mentioned he is looking at other things too. When
00063:01 he asked me to have a look it, I cannot remember,
02 it must have been quite a long time before this
03 trade was done, which was in -- the main
04 discussion here. It was a long time before that,
05 that he was looking at it.
06 He told me that he was trading it
07 for months on the spread betting account. That is
08 what he mentioned to me. He asked me to trade it.
09 He said it is very predictable. He said, why
10 don't you trade it, I said I do not see anything
11 worth trading.

21. PAGE 64:01 TO 65:03 (RUNNING 00:01:39.936)

00064:01 Q. My name is Christopher Cooke. I am
02 the attorney representing Farhang Afsarpour in
03 these proceedings. Counsel asked you about this a
04 little bit, but you said that you have known
05 Mr Afsarpour for over 20 years?
06 A. Something like that. Yes.
07 Q. And do -- how would you describe
08 your relationship with him?
09 A. We are good friends. We talk about
10 anything and everything. We used to go out for
11 meals together. I bought my first car from him. He
12 was involved in car business. He had fish and
13 chip shops in south Manchester. I might go and
14 get fish and chips from his shop. And he used to
15 come to me for his medical conditions or any
16 tablets he might need or his prescriptions or his
17 dad's medication. He used to come to the pharmacy
18 and over time just became friends.
19 Q. In terms of his character what type
20 of person would you describe him to be?
21 A. He is a very outgoing, outspoken,
22 nice guy. Nice guy. He is always kind. He has

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23 been doing a lot of charitable work now for a
24 while. As far as I am aware he only thinks good
25 of other people. He helped a lot of refugees to
00065:01 settle in. Sometimes he just puts them in his own
02 flat until they find any accommodation. A very
03 kind hearted gentleman.

22. PAGE 65:14 TO 72:09 (RUNNING 00:08:12.477)

14 Q. And the SEC counsel showed you some
15 phone records, Exhibits 24 and 25?
16 A. Yes.
17 Q. They reflected some telephone calls
18 and text messages that you and Mr Afsarpour
19 appeared to have exchanged or engaged in 5 years
20 ago?
21 A. Yes.
22 Q. In terms of how frequently you
23 talked to him could you please elaborate on that?
24 A. Of course I will. Mr Afsarpour, he
25 is a travelling guy. He visits all sorts of
00066:01 countries. So a lot of the time he is not in the
02 country. But when he does come back then we talk
03 a lot on the phone. We go out for meals. He
04 could be ringing me for what he is trading. He
05 could be ringing me for any minor ailments he
06 might have. Colds and flu he suffers a lot from.
07 Backache he has got. He could be ringing for a
08 number of reasons. There was a time when we used
09 to speak every day. When we were trading partners
10 we would speak 20, 30 times a day.
11 Q. So in looking at the frequency of
12 contacts the SEC showed you did that strike you as
13 an unusual level of contact with Mr Afsarpour?
14 A. No, I thought it was not enough.
15 He would have called more often than that when we
16 were trading together.
17 Q. Have you ever known Mr Afsarpour to
18 share ideas on investments with other people?
19 A. With me?
20 Q. With you.
21 A. Oh, absolutely. He would tell me
22 what he is buying, what he is selling. A lot of
23 the time I did not agree with it because my
24 analysis did not agree with his. But he would
25 tell me he is buying gold or buying oil or he is
00067:01 trading Forex. Yes, he would mention it to me all
02 the time and he would try to get advice. He would
03 ask me to look at the charts and see what I think
04 of them. Yes, he talked to me a lot about his
05 investments.
06 Q. You mentioned technical analysis,
07 could you just explain what that is?
08 A. It is a study of the price movement
09 based on various indicators which other people
10 have developed which -- with some varying rate of
11 success like moving averages or price volume, or
12 there could be trend lines or pull backs or
13 retracements. There is a number of technical
14 indicators that you can use to gauge the movement
15 of the market.
16 And we went to some seminars
17 together on these technical analyses in London and
18 learned a little, basics of that.
19 Q. You met -- you said, "we went to
20 seminars together", who are you referring to?
21 A. Mr Afsarpour.

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22 Q. How long ago was that?
 23 A. A long time ago. I think it must
 24 have been 2000 -- anything between 2002 and 2005.
 25 Probably even before that because I have been
 00068:01 trading since '99.
 02 Q. Since 1999?
 03 A. Yes. He started, I think, a couple
 04 of years after that probably.
 05 Q. Now, if you are doing technical
 06 analysis do you look at the company's
 07 fundamentals?
 08 A. No. I was only mainly interested in
 09 the technical analysis.
 10 Q. You were asked about some orders
 11 you had placed for spread bets on InterMune?
 12 A. Yes.
 13 Q. What factors did you look at in
 14 terms of whether or not to place those orders?
 15 A. Well, as I was explaining to
 16 Mr Donnelly that I would place an order if a
 17 certain criteria of a security has been met which
 18 was based on the length of the moving averages as
 19 well as price volume as well as the ceiling the
 20 price closes in relation to those moving averages.
 21 Q. Was it important for you what the
 22 company did? Its underlying business?
 23 A. To me they are just numbers. I
 24 treat everything on that platform as numbers. You
 25 were just playing with numbers. I did not care
 00069:01 what it was, whether it is an index, a security or
 02 a Forex. To me they were just numbers. And that
 03 is how I traded on them.
 04 Q. In terms of your trades you were
 05 asked about orders that you placed with a firm
 06 called IG Index?
 07 A. Yes.
 08 Q. Had you ever placed trades with IG
 09 Index before the trades that you did involving
 10 InterMune?
 11 A. A lot. I think I have been doing it
 12 since 2004, 2005 with CMC Markets and IG Index. I
 13 have done the same thing for years on both
 14 platforms.
 15 Q. They showed you some records that
 16 indicated that you opened this account again with
 17 IG Index?
 18 A. Yes.
 19 Q. Remember they played some telephone
 20 calls?
 21 A. Absolutely.
 22 Q. Is it correct that you opened this
 23 account again with IG Index in about November of
 24 2010?
 25 A. What happened is they -- if you do
 00070:01 not trade on their account for a short while, I do
 02 not know what the time length is, a few months,
 03 they shut your account down and they send you the
 04 money. I think I remember receiving a small
 05 cheque from them some time ago, that you have not
 06 traded your account, therefore, we are closing
 07 your account.
 08 Sometimes circumstances happen when
 09 you cannot trade. I remember there were long
 10 periods when I did not trade. But when you come
 11 up with a new idea you go and open an account and
 12 start trading again. And this is what happened.

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13 At that time I was testing a new
14 method of trading indices as evidenced by that
15 trading statements Mr Donnelly had passed to me.
16 You will see there were a lot of trades carried
17 out which were actually testing my own method.
18 Nothing to do with any securities of InterMune or
19 anything like that.
20 And after that incident I continued
21 testing my methods way into the following year
22 until my account was frozen by IG Index. I opened
23 that account with a view to test my method.
24 Q. I wanted to ask you that, so when
00071:01 you re-opened this account in November of 2010,
02 did it have anything to do with InterMune?
03 A. No, nothing at all. As a matter of
04 fact it was pure small gamble. I was -- as I was
05 pointing out that the risk was so little to me of
06 this trade that I was actually scared of placing a
07 spread bet account on anything. Options trade
08 would be very, very low risk for me compared with
09 spread betting.
10 Q. And you mentioned that you had come
11 up with some trading strategy, could you explain
12 that a little bit?
13 A. Yes, it is all evidenced. I mean
14 I -- if you were to look at my trading records
15 there would be thousands of trades, if not more,
16 of that strategy. Some of them very well
17 evidenced in this Exhibit 20. You will see long
18 after the InterMune trade had finished I continued
19 testing my strategy which actually you can see it
20 is also making money.
21 It was purely basically a
22 relationship between two indices which was the
23 FTSE 100, which is the UK market, and the Dow
24 Jones industrial average, which is the American
25 market.
00072:01 I discovered while I was on holiday
02 in October with my wife that this relationship
03 works very well. If you buy one and sell the
04 other, one of them will produce you more money
05 than the other one would lose. Which -- as
06 evidenced by these trades here. And that strategy
07 is what I was going to test on a larger scale.
08 Q. So that is why you re-opened this
09 account?
10 A. Oh, absolutely.

23. PAGE 74:05 TO 75:12 (RUNNING 00:01:31.923)

05 Q. I want to turn you to the first
06 order that you placed for a spread bet with
07 respect to InterMune, which is on the fourth
08 page of Exhibit 20, you were asked a few questions
09 about the December 14, 2010 order?
10 A. Is that where you say: "Financial
11 current open positions"?
12 Q. Right. "Orders to open new
13 positions"?
14 A. Yes.
15 Q. And then it shows that an order was
16 opened on December 14th 2010 for a spread bet
17 based upon InterMune?
18 A. Yes.
19 Q. It says: "Order type Limit", can
20 you explain what that is?
21 A. A limit order is you place -- that

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22 the price is lower where the actual market is
 23 trading right now. The idea behind that is that if
 24 the price goes down to where your order is it will
 25 be filled and you will be in the market. Or the
 00075:01 security will be bought for you.

02 For example, if something is
 03 trading at \$10 today, but I do not want to pay
 04 \$10, I only want to pay \$9 for it I can place a
 05 limit order and say can you please buy something
 06 for me when the price goes to \$9. That is placing
 07 a limit order.

08 Q. If you had had inside information
 09 regarding InterMune on December 14th, 2010, which
 10 caused you to believe that the stock price was
 11 going to go up dramatically is a limit order the
 12 type of order you would have placed?

24. PAGE 75:15 TO 75:17 (RUNNING 00:00:02.195)

15 Q. Why is that? Why would you not
 16 place a limit order?
 17 A. Why --

25. PAGE 75:21 TO 79:16 (RUNNING 00:04:39.150)

21 A. Why would I wait for the price to
 22 go down when I know it is going to go up? I would
 23 just place a straight order on market. Straight
 24 order.

25 Q. And you mentioned that you had a
 00076:01 few conversations with Mr Afsarpour where he
 02 mentioned InterMune to you?

03 A. Yes.

04 Q. And then you said that you
 05 consulted a chart, could you explain what you mean
 06 by consulting a chart?

07 A. Looking at the technical analysis,
 08 whether all the criteria to carry out a trade are
 09 met or not.

10 Q. So when Mr Afsarpour called to talk
 11 to you about InterMune did he ever give you any
 12 information that you understood was confidential
 13 or material non-public information?

14 A. No.

15 Q. And so after he told you about
 16 InterMune what did you do?

17 A. Nothing. I did nothing. He said
 18 can you have a look at the chart. I said, yes, I
 19 will have a look at the chart. But this was just
 20 one company like he asked for all the others. And
 21 I looked at it and I said, I do not see anything.

22 Q. That was in the earlier call that
 23 you had --

24 A. This was weeks. Months probably
 25 before December.

00077:01 Q. -- so why did you not place a trade
 02 for InterMune after this first call, a spread bet
 03 on InterMune?

04 A. Because my trading conditions were
 05 not met. The price was actually going down and I
 06 did not see the logic of placing a trade.

07 Q. But at some point in December of
 08 2010 you did place first an order and then an
 09 actual trade for InterMune?

10 A. Yes.

11 Q. Why did you decide to go ahead and
 12 place a trade at that point?

13 A. It is because those conditions

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14 are -- which I have been mentioning had fully met.
 15 Would you like me to go over them again?
 16 Q. No. I think I understood.
 17 A. The conditions were met, so I
 18 placed an order. And I decided, normally I would
 19 not have, I just decided to have a small gamble.
 20 I did not put all my money in it. I think now
 21 looking at this it appears that I might have paid
 22 a deposit of \$6,000, although I had more than
 23 \$20,000 in my account. That is because the idea
 24 of the money there was not to trade securities.
 25 The idea was to test my system. That was what it
 00078:01 was there for. I did not expect the price to go
 02 where it did. I expected the price to rise by
 03 maybe \$2 which would almost double my money
 04 because if the price of the option was 1.92 had it
 05 gone above the price where I was going to buy them
 06 \$2 would have doubled my money. And that is all I
 07 would have been interested in. And had the price
 08 not gone up it would have been a very small loss.
 09 From 192 it might have gone down to 118. And I
 10 would have been out of it because 3, 4 weeks in an
 11 option for me is too long. I do not trade options
 12 which are that far into the future. Majority of
 13 the options I trade normally are weekly options or
 14 daily options. If you were to read through all
 15 the trades that I did with IG Index you will see
 16 these very, very short options being traded.
 17 Q. So they asked you about this first
 18 order which was not filled, the limit order, then
 19 there was another order in InterMune that was
 20 filled which is on page 1181.
 21 A. That is the option I just talked
 22 about. That is the option that I actually bought
 23 as a low risk gamble.
 24 Q. And originally according to the
 25 audio tape we listened to you were going to place
 00079:01 an order for 100 -- was 100 lots or 100 contracts?
 02 A. 100 contracts of the options, yes.
 03 Q. You wound up, according to this
 04 record, buying 50?
 05 A. I did not want to risk too much
 06 once the woman told me how much the deposit is
 07 going to be. That would not have left enough money
 08 for me to test my strategy. So I told her to
 09 reduce my order because I still need to continue.
 10 As you can see from the page that I did continue
 11 with my testing my own strategy.
 12 Q. So had you known that InterMune was
 13 going to come out with an announcement on
 14 December 17th, the next day, that was going to
 15 cause the stock price to more than triple would
 16 you have placed that size of an order?

26. PAGE 79:19 TO 80:15 (RUNNING 00:00:56.201)

19 A. Mr Cooke, if I had that kind of
 20 information I would not have just put 20,000 in
 21 there. I would have put more than \$100,000 and
 22 just bought the options with it. But the money
 23 was not placed in there to trade InterMune.
 24 BY MR COOKE:
 25 Q. And did Mr Afsarpour tell you
 00080:01 anything other than to have a look at InterMune
 02 that caused you to place this order?
 03 A. No. He -- we were trading it for a
 04 long time. He has been watching the market. When

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05 the chart did give the impression that it could go
06 up I placed a trade.
07 Q. Have you heard of something called
08 a 50-day moving average?
09 A. Yes.
10 Q. What is that?
11 A. It is an average of the 50 days of
12 the price how it has moved.
13 Q. Did you look at a 50-day moving
14 average in determining whether or not to place
15 this trade?

27. PAGE 80:21 TO 81:09 (RUNNING 00:00:29.312)

21 A. Normally all technical analysts
22 seem to look at 50-day moving average and that is
23 being used as a standard by everybody so I would
24 have looked at the same thing.
25 BY MR COOKE:
00081:01 Q. So sitting here four and a half,
02 almost five years ago, do you have a perfect
03 recollection of all the moving averages and
04 indices you consulted?
05 A. I am an old man, Mr Cooke, I cannot
06 remember everything exactly.
07 Q. Let me show you, I am going to have
08 the Court Reporter mark as 26.
09 (Exhibit 26 marked for identification)

28. PAGE 81:10 TO 83:16 (RUNNING 00:02:34.258)

10 I will just identify for the record what we are
11 now marking as 26 is a two-page document which
12 appears to be an email from baltrade@aol.com to
13 Donnelly Kenneth dated January 14th, 2011, I am
14 just asking you if you recognise this, and then I
15 am going to ask you a couple of questions.
16 A. Do I recognise this! This was the
17 worst nightmare I had ever faced in my life, I
18 think. Yes, I wrote this email to Mr Donnelly
19 asking him why my account has been frozen with IG
20 Index because IG Index told me that is the
21 gentleman I need to speak to about it.
22 Q. How soon in relation -- so let me
23 go back, this is an email that you sent to
24 Mr Donnelly in or about January 14th, 2011?
25 A. Yes.
00082:01 Q. That was about a month after you
02 did this trade?
03 A. Yes.
04 Q. The time you wrote this email was
05 your memory about the reasons why you did the
06 trade better than it is today?
07 A. At that time it would have been
08 fresh in my head what I did. Now, probably not so
09 good.
10 Q. On the third paragraph you talk
11 about trading methods, you see that?
12 A. Yes.
13 Q. And there is a reference to:
14 "... a simple price cross of and
15 close above the 50 day moving average in
16 combination with high volatility in the options
17 market."
18 Do you see that reference?
19 A. Yes.
20 Q. And then on the next paragraph
21 there is a description about December 10th stock

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22 price and then December 14th; do you see that
 23 description?
 24 A. Yes.
 25 Q. Does that refresh your recollection
 00083:01 in any way regarding the reasons why you placed
 02 the trade in the InterMune spread bet?
 03 A. Yes.
 04 Q. So looking at it today what were
 05 the reasons why you placed the trades in InterMune
 06 in December of 2010?
 07 A. Well, it appears that the price had
 08 moved above the 50 day moving average. It closed
 09 above that on a high volume and I thought it might
 10 go up. I placed a trade.
 11 Q. Okay. So sitting here today is
 12 your best recollection that one of the reasons you
 13 placed this trade on December 16th was that your
 14 trading conditions had been met regarding movement
 15 of the stock price with respect to the 50-day
 16 moving average?

29. PAGE 83:18 TO 84:12 (RUNNING 00:00:57.464)

18 A. Yes.
 19 BY MR COOKE:
 20 Q. And had InterMune not met this
 21 trading criteria would you have placed this trade
 22 on December 16?
 23 A. No. The InterMune did not meet my
 24 conditions for weeks and I did not place any trade
 25 in it.
 00084:01 Q. That is the prior time Mr Afsarpour
 02 talked --
 03 A. Yes. Absolutely.
 04 Q. -- you mentioned your account was
 05 frozen, what do you mean by that? What happened?
 06 A. Well, I was testing my strategy as
 07 the prints will prove it for up until some time in
 08 January, 7th, 8th or thereabout. One day I went
 09 to do my usual trades of buying the FTSE or sell
 10 the Dow or other way round and I could not carry
 11 out a trade. I rang IG Index and asked why I
 12 cannot do it.

30. PAGE 84:21 TO 86:15 (RUNNING 00:01:54.243)

21 Q. So you mentioned that your account
 22 at IG Index had been frozen?
 23 A. Yes.
 24 Q. Had anybody from the SEC contacted
 25 you before they brought a court action to freeze
 00085:01 your account?
 02 A. No.
 03 Q. Had anybody asked you before they
 04 did this, anybody at IG Index or at the Financial
 05 Services Authority, did anybody ask you why you
 06 did these trades before your account was frozen?
 07 A. No.
 08 Q. Did this cause you any
 09 inconvenience having your account frozen?
 10 A. Inconvenience was unbelievable. It
 11 was absolutely shocking. Distressing for myself
 12 and my wife. I was -- I think I was in shock for
 13 a good few days about it until I finally managed
 14 to write an email to Mr Donnelly.
 15 Q. So you wrote this email, in part,
 16 to explain to Mr Donnelly who you were and why you
 17 did these trades?

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18 A. Absolutely. Yes.
 19 Q. Is what you said in there about
 20 your trading methods and reasons for the trade,
 21 was it true and accurate as you sit here today?
 22 A. Absolutely. They are still the
 23 same. I am still doing it.
 24 Q. Did you meet with the SEC in person
 25 in London for an interview that was also conducted
 00086:01 by the Financial Services Authority?
 02 A. Yes.
 03 Q. How long was that meeting?
 04 A. It started I think at about 9.00
 05 or soon after that. Maybe 9 -- I do not know.
 06 Soon after 9.00. And I remember I had a train
 07 booked at about 2 o'clock and I could not have
 08 caught that train because they had not quite
 09 finished. I think it finished about 4.00 or after
 10 4 o'clock definitely. Started after 9.00 and it
 11 finished after 4.00.
 12 Q. Was that interview tape-recorded?
 13 A. They said they were recording it,
 14 but I have no copies of that or they did not give
 15 me any copies.

31. PAGE 89:04 TO 89:15 (RUNNING 00:00:33.128)

04 Q. But sitting here today you do not
 05 believe Mr Afsarpour ever communicated anything to
 06 you that indicated he had material non-public
 07 information concerning InterMune?
 08 A. I still do not believe that now.
 09 Never mind then. I cannot see how he would have
 10 got it. From what I knew of him I do not know how
 11 he would have -- I think I remember mentioning
 12 this to the SEC then, that a guy running a chippie
 13 in south Manchester I do not know how he would
 14 know anything about biotechnology companies in the
 15 US. I think I did mention it at some stage.

32. PAGE 91:20 TO 91:24 (RUNNING 00:00:18.338)

20 So just to reiterate, you placed
 21 orders on InterMune in December of 2010, correct?
 22 A. Yes.
 23 Q. Approximately how long before that
 24 did Mr Afsarpour introduce you to InterMune?

33. PAGE 92:04 TO 93:25 (RUNNING 00:02:59.125)

04 A. I cannot be sure, but I think it
 05 was months before I actually carried out my trade.
 06 BY MR TABESH:
 07 Q. When he introduced InterMune to you
 08 was he encouraging you to invest in InterMune?
 09 A. No, he just wanted me to have a
 10 look at his chart, see what I make of it, whether
 11 it is worth buying or not. But I told him, no, I
 12 do not think it is worth buying at that point.
 13 Q. Do you remember the next time he
 14 mentioned InterMune to you?
 15 A. He mentioned it many times in
 16 between. It is like he mentioned all the other
 17 companies he was looking at and other commodities.
 18 So he did not single it out, so I cannot be sure.
 19 Q. Did you find anything unusual in
 20 the approach Mr Afsarpour took with respect to
 21 InterMune compared to the other companies or
 22 commodities that he was suggesting you to look at?

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23 A. No.
 24 Q. In around December 2010, prior to
 25 you placing orders, did Mr Afsarpour indicate
 00093:01 there was any urgency in placing an order on
 02 InterMune?
 03 A. No.
 04 Q. Let me look at my notes real
 05 quick. (Pause) Did Mr Afsarpour indicate to you
 06 that he would benefit in any way from your placing
 07 orders on InterMune?
 08 A. No, of course not. We had our
 09 separate accounts. He never benefitted from my
 10 account, nor I benefitted from his.
 11 Q. Why did you purchase -- place the
 12 orders on InterMune?
 13 A. Like I was explaining to your
 14 colleague, Mr Cooke here, that my conditions had
 15 been met to place a trade. So I thought I would
 16 take a small gamble.
 17 Q. Did any encouragement by
 18 Mr Afsarpour play a role in making that decision?
 19 A. No. Mr Afsarpour wants me to buy
 20 large quantities of gold or oil depending whether
 21 Iran is going to war or not.
 22 Q. So would you say that you made the
 23 decision to purchase the -- to place the orders
 24 with InterMune independent of influence from
 25 Mr Afsarpour?

34. PAGE 94:03 TO 94:04 (RUNNING 00:00:05.511)

03 A. There was no influence from him to
 04 do the trade at all.

35. PAGE 94:07 TO 99:04 (RUNNING 00:05:03.559)

07 MR COOKE: At this point
 08 Mr Donnelly may have a few follow up questions.
 09 MR DONNELLY: Yes. Just a few.
 10 Q. So you have said repeatedly in your
 11 testimony that what caused you to trade on
 12 December 14th was that all your conditions were
 13 met?
 14 A. Yes.
 15 Q. But from my vantage point you have
 16 yet to explain what those conditions are, and I
 17 would like you to do so. What exactly were the
 18 conditions that you were looking for on
 19 December 14th, 2010, to be met that caused you to
 20 place the trades in InterMune? What exactly were
 21 those conditions?
 22 A. I think we have been through all
 23 that so many times, Mr Donnelly, I am quite
 24 surprised that you still have not made a note of
 25 it.
 00095:01 The 50-day moving average, the
 02 price had closed above that. That was one thing.
 03 Which indicates the price would go up. Second, the
 04 price had gone up in the previous couple of days
 05 on high volume which any technical analyst will
 06 point out to you is another indication that the
 07 price will go up. The third, the option's
 08 volatility had suddenly shot up a couple of days
 09 prior to my options trade, which also indicates
 10 that the price is going to move in some direction.
 11 In this case I inferred that it
 12 would probably be moving up because of the other
 13 two conditions being favourable to that direction.

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14 Q. Okay.
 15 A. Does that answer it?
 16 Q. No, it does not.
 17 A. Okay.
 18 Q. So how far above the 50-day moving
 19 average were you expecting the stock to be before
 20 your conditions were met?
 21 A. It has just to close above. It
 22 does not have to be any specific amount above the
 23 50-day moving average.
 24 Q. And how high must the volume be for
 25 your conditions to have been met?
 00096:01 A. It has just got to be above the
 02 normal average volume for the day, which it was.
 03 Q. And how do you determine that?
 04 A. It is clearly drawn underneath the
 05 chart. You can visually look at it what the
 06 previous volumes were and what your day's volume
 07 is.
 08 Q. And how volatile must the stock be
 09 before your conditions are met? You said high
 10 volatility, what do you mean by high?
 11 A. High volatility in the options
 12 market. When you plot the options graph
 13 underneath the volume chart you will see how many
 14 options trades have been happening every day. If
 15 those trades have gone up that means that the
 16 options are getting volatile.
 17 Q. Up how high though? What is your
 18 definition of high?
 19 A. It just has to be above the normal
 20 day-to-day option trades.
 21 Q. Would you agree with me that your
 22 conditions are, sort of, vague?
 23 A. No. I think they are very clearcut.
 24 Q. So how many times in the last month
 25 before you made this trade did you apply these
 00097:01 conditions to any other stock in the market? How
 02 many times?
 03 A. I did not. I made it clear that I
 04 was not trading the stocks. I was trading the
 05 indices. I traded stocks a couple of years prior
 06 to that following the same methods. You can get
 07 the trades from IG Index for that. I was trading
 08 the indices at the time. This was just a one-off
 09 gamble because we were looking at the chart
 10 already. Otherwise I would not have gone looking
 11 for any such experience.
 12 Q. Were you looking for stocks that
 13 had these conditions met on December 14th? Were
 14 you searching through the various closings looking
 15 for stocks that met these conditions so that you
 16 would trade?
 17 A. No, I was not.
 18 Q. So why trade InterMune?
 19 A. Because we were already looking at
 20 the chart for a little while and a friend of mine,
 21 Mr Afsarpour, was trading it for a little while.
 22 Q. So you traded InterMune because
 23 Mr Afsarpour brought this to your attention, is
 24 that correct?
 25 A. Yes. He brought it to my attention
 00098:01 some time before.
 02 Q. I understand.
 03 A. Not on the day of the trade.
 04 Q. Now, do you have, other than

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05 anything -- other than documents you have already
06 provided to the Securities and Exchange
07 Commission, do you have any writing in existence
08 at the time of this trade, in 2010, that describes
09 the conditions that you were applying to enter
10 this trade? Any writing whatsoever? Any emails
11 with Mr Afsarpour? Any notes? Anything?
12 A. Not that I remember. I have given
13 everything that I had to yourselves.
14 Q. So you have given us everything
15 that you have that relates to this, is that right?
16 A. Yes.
17 Q. Did you have any emails -- did you
18 exchange any emails with Mr Afsarpour about these
19 trades?
20 A. I cannot remember. You can easily
21 check that.
22 Q. Sure. Now, we heard -- we heard
23 Mr Cooke ask you some questions about your
24 December 14th opening of a potential trade and
25 that it was a limit order, remember?
00099:01 A. Yes.
02 Q. But when you traded on
03 December 16th that was a market order, correct?
04 A. Yes.

36. PAGE 99:05 TO 100:03 (RUNNING 00:00:53.999)

05 Q. Now, in the course of this
06 deposition you have talked about trading since
07 1999, is that right?
08 A. Yes.
09 Q. And that for a time you took actual
10 courses in trading in options, is that correct?
11 A. That is right.
12 Q. And you also were trading partners
13 with Mr Afsarpour for a period of time, is that
14 correct?
15 A. Yes.
16 Q. And that you have been a frequent
17 trader in the market for some time, is that
18 correct?
19 A. Yes.
20 Q. Yet if you look at Exhibit 26 that
21 Mr Cooke provided to you, is it not true, sir,
22 that you described yourself as a novice trader to
23 the SEC?
24 A. Yes.
25 Q. Can you look at Exhibit 20, please
00100:01 again, and I would direct your attention to the
02 document ending -- the document with the Bates
03 number ending in 1186.

37. PAGE 100:04 TO 101:03 (RUNNING 00:01:14.487)

04 A. Yes.
05 Q. On -- as of the close of business
06 on December 20th, 2010, what do IG's records
07 indicate was your running profit on your trading
08 strategy with respect to the FTSE and the Dow?
09 A. 21st December 2010?
10 Q. Yes.
11 A. Where it says: "Carried forward"?
12 Q. Underneath: "Financial current
13 open positions". There is a Bates number, it says
14 "1186"; do you see that?
15 A. Yes.
16 Q. What was your running profit or

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17 loss on that trading strategy on December 20th,
 18 2010?
 19 A. On that single trade it was down
 20 105 on one and down 110 on the other.
 21 Q. So your total running profit or
 22 loss was a negative 215, is that correct?
 23 A. That is right, yes.
 24 Q. And that is in pounds?
 25 A. Yes.
 00101:01 Q. And what was your running profit or
 02 loss on the trade that you made on InterMune
 03 spread bets?

38. PAGE 101:07 TO 101:25 (RUNNING 00:00:48.829)

07 Q. On the same day, sir?
 08 A. It says 100,400.
 09 Q. US \$100,400?
 10 A. Yes.
 11 Q. Now, do you know who
 12 Sasan Sabrdaran is? The other defendant in this
 13 case?
 14 A. No.
 15 Q. Did Mr Afsarpour ever share with
 16 you that he knew that individual?
 17 A. No.
 18 Q. Had you ever heard his name before
 19 this case?
 20 A. No.
 21 Q. Were you surprised to learn of him
 22 when you did learn of him?
 23 A. No. Why? I have no reason to be
 24 surprised. He is just another friend among
 25 thousands he has.

39. PAGE 102:09 TO 102:17 (RUNNING 00:00:24.873)

09 MR DONNELLY: That is all. I have
 10 no further questions.
 11 MR COOKE: Can I ask one clarifying
 12 question.
 13 Q. On Exhibit 26 you used the phrase
 14 "novice trader"; what did you mean by that?
 15 A. I considered myself a novice trader
 16 because I never actually made any money in the
 17 stock market.

TOTAL: 1 CLIP FROM 1 DEPOSITION (RUNNING 01:18:40.659)

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 Vasseghi, Shahrokh (Vol. 01) - 10/27/2015

1 CLIP (RUNNING 00:55:49.931)

 FINAL

SV-1027-0000605-N

27 SEGMENTS (RUNNING 00:55:49.931)



1. PAGE 6:05 TO 6:07 (RUNNING 00:00:02.826)

05 THE VIDEOGRAPHER: Would the Court
06 Reporter please swear the witness and we can
07 proceed.

2. PAGE 6:08 TO 9:05 (RUNNING 00:03:13.417)

08 Mr Shahrokh Vasseghi
09 having been duly sworn
10 testified as follows:
11 EXAMINED BY MR SMITH:
12 MR SMITH: Thank you. Sir, could
13 you please spell your name for the record.
14 A. S-H-A-H-R-O-K-H. Vasseghi,
15 V-A-S-S-E-G-H-I.
16 Q. Thank you, Mr Vasseghi, where were
17 you born?
18 A. I was born in Iran. Tehran, Iran.
19 Q. And when did you move to the United
20 Kingdom?
21 A. October 1973.
22 Q. When you moved to the United
23 Kingdom in '73 what city did you move to?
24 A. London.
25 Q. How long did you live in London?
00007:01 A. For about a year.
02 Q. Did you move after you lived for
03 London in a year?
04 A. Yes.
05 Q. Where did you move?
06 A. To Manchester.
07 Q. And have you been in Manchester
08 then since 1974?
09 A. That is right.
10 Q. Are you a citizen of the United
11 Kingdom?
12 A. I am, yes.
13 Q. Do you hold citizenship in any
14 other countries?
15 A. Apart from Iranian I am British,
16 no.
17 Q. So you have dual citizenship with
18 the United Kingdom and Iran?
19 A. That is right, yes.
20 Q. Did you live in Manchester in 2010?
21 A. I lived just outside Manchester in
22 Leigh. It is a -- still is -- it could be part of
23 Manchester.
24 Q. It is considered part of greater
25 Manchester?
00008:01 A. That is right, yes.
02 Q. What do you do for a living,
03 Mr Vasseghi?
04 A. I used to be in catering business.
05 Q. And how long were you in the
06 catering business?

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07 A. Over 30 years.
08 Q. When did you stop being in the
09 catering business?
10 A. In 2008 or '9. '9.
11 Q. And what do you do for a living
12 now?
13 A. I am semi-retired. I just have
14 properties which I have rented out.
15 Q. Do you receive an annual income for
16 the rental of these properties?
17 A. Yes, I do.
18 Q. What is your annual income from the
19 rental of the properties?
20 A. Approximately about 35,000.
21 Q. And is that dollars or pounds?
22 A. Pounds.
23 Q. Mr Vasseghi, I am going to ask if
24 you remember some phone numbers that you would
25 have had in 2010, do you remember the cellular
00009:01 number or the mobile number that you had in 2010?
02 A. Yes, it is the same number I still
03 use.
04 Q. And what is that number?
05 A. 07979934433.

3. PAGE 10:03 TO 10:15 (RUNNING 00:00:37.582)

03 Q. Do you know an individual named
04 Balvinder Nijjar?
05 A. I have heard of somebody called
06 Bal. I do not know his family name. I have met
07 the gentleman once which we -- I was with
08 Mr Afsarpour. If that is the same gentleman. I
09 saw him in his pharmacy. Is that the same
10 gentleman which you have in mind? Has he got
11 pharmacy?
12 Q. Is it your understanding that the
13 individual named Bal that you met with
14 Mr Afsarpour is a pharmacist?
15 A. Yes.

4. PAGE 10:24 TO 11:09 (RUNNING 00:00:34.597)

24 Q. Do you know an individual named Ali
25 Reza Golesorkhi?
00011:01 A. Ali Reza Golesorkhi?
02 Q. Yes. I am undoubtedly
03 mispronouncing the surname. An individual named
04 Ali or Ali Reza?
05 A. I think perhaps I know him as
06 Paymen, as another name. Mr Golesorkhi being
07 Paymen or called -- somebody called Paymen more
08 often than Ali Reza Golesorkhi. But it could be
09 the same gentleman.

5. PAGE 11:10 TO 19:10 (RUNNING 00:10:38.603)

10 Q. And how do you know him?
11 A. He was one of the chaps which he
12 used to come to Mr Afsarpour's flat.
13 Q. How many times do you think you
14 have seen Paymen or Ali Reza at Mr Afsarpour's
15 flat?
16 A. How many times? I do not know,
17 about four times. Five times. And this
18 gentleman, if it is the same gentleman, has a
19 restaurant outside Manchester which I have been to
20 his restaurant. Also I have seen him there. Yes,

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21 we went for a meal.
22 Q. We have mentioned the name of
23 Farhang Afsarpour a couple of times.
24 A. Yes.
25 Q. And do you know Farhang Afsarpour?
00012:01 A. Yes, I do.
02 Q. How long have you known
03 Farhang Afsarpour?
04 A. Must be over 10 years.
05 Q. Can you describe how you met
06 Mr Afsarpour?
07 A. Mr Afsarpour -- a friend of mine,
08 Mr Boroumand, was coming to United Kingdom which
09 he used to be a friend at college, and this
10 gentleman was coming back to England from USA and
11 his wife was called Homeyra, which he was a cousin
12 of Mr Afsarpour.
13 Q. Mr Homeyra is a cousin of
14 Mr Afsarpour?
15 A. That is right. To my knowledge.
16 And we were both waiting in the airport for
17 Mr Boroumand and Homeyra to come out, and I did
18 not know Mr Afsarpour beforehand, he was waiting
19 along and I was there. So when they came out of
20 the custom I got to know him through my friend,
21 through Mr Boroumand.
22 Q. Was this in Manchester or in
23 London?
24 A. In Manchester.
25 Q. And who was Mr Afsarpour waiting
00013:01 for?
02 A. For the same couple, for my friend,
03 Mr Boroumand, and Homeyra.
04 Q. And do you know Homeyra's surname?
05 A. No, I do not. I think he is married
06 to Mr Boroumand so it should be one of the two.
07 Q. And from that point on have you and
08 Mr Afsarpour been friends?
09 A. Yes. We came to contact each other.
10 And then while my friend was here we saw -- I saw
11 him a few more times because my friend was here
12 from USA. We went to pubs and had drinks and
13 dinners and this sort of thing. So I got to know
14 him from there.
15 Q. And over the last 10 years how
16 often do you think -- on a weekly basis how often
17 would you -- or how often do you speak to
18 Mr Afsarpour?
19 A. How often? At least once a week.
20 Q. And are you still in contact with
21 Mr Afsarpour today?
22 A. Yes.
23 Q. Do you remain friends today?
24 A. Yes.
25 Q. Have you ever lent Mr Afsarpour
00014:01 money?
02 A. Yes.
03 Q. How much have you lent him?
04 A. How much? I cannot recall the exact
05 figure if you are after exact figure.
06 Q. The best of your recollection, sir?
07 A. #50,000 perhaps.
08 Q. Has he paid it all back?
09 A. Yes. No reason to ask ...
10 Q. Do you have some thought that he
11 may not have paid it all back?

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12 A. No, as long the gentleman borrows
 13 some money -- he is a businessman. He has a lot
 14 of pots cooking at the same time and all of a
 15 sudden he wants to start a new adventure and
 16 perhaps he needs money and so do you have -- can
 17 you lend me some money? By all means, can you
 18 lend me, yes.

19 Q. Mr Vasseghi, have you ever invested
 20 in financial securities?

21 A. Myself, no, as being account holder
 22 or anything like that, no, I have not.

23 Q. You have never opened a brokerage
 24 account to trade in stocks?

25 A. No, I have not.

00015:01 Q. Do you know if Mr Afsarpour has
 02 ever invested in securities?

03 A. I think this gentleman has because
 04 that is his interest in a way. He always talks
 05 about shares and gold and oil and these sort of
 06 thing, commodities. That is his interest. He
 07 always talks about these things.

08 Q. I apologise for interrupting, has
 09 he ever spoken to you about investing in gold or
 10 oil?

11 A. Yes. In the past. Yes.

12 Q. Has he ever spoken to you about
 13 investing in specific shares?

14 A. He always talks about these things.
 15 And in the past he has told me about British
 16 Telecoms or Vodafone and these sort of things,
 17 yes. He keeps saying -- that is his interest. He
 18 talks about these things.

19 Q. Has he ever encouraged you to
 20 invest in Vodafone or other commodities that you
 21 have mentioned here today?

22 A. In the old days, yes, but my game
 23 was always in properties and I -- not that I did
 24 not take notice, it was the game which I did not
 25 know much about. My line was -- my line of
 00016:01 business I am commercial investing, investing in
 02 commercial properties or investment properties,
 03 buy to let schemes.

04 Q. Did Mr Afsarpour ever tell you that
 05 he had invested in a specific share or specific
 06 type of stock?

07 A. Yes, he keeps saying about
 08 Vodafone. Obviously InterMune before even I
 09 got -- give him the money to invest on behalf of
 10 me. He keeps says he is buying these shares. Yes.

11 Q. You mentioned the company
 12 InterMune?

13 A. Yes.

14 Q. Let us talk about that for a little
 15 bit, when did you first hear about the company
 16 that -- excuse me, when did you ever -- first hear
 17 about the company InterMune?

18 A. Exact date it might be I do not
 19 know, you might question me on that, I just cannot
 20 recall, but I think it was late 2010.

21 Q. And who did you learn -- who told
 22 you about InterMune?

23 A. Mr Afsarpour.

24 Q. What did Mr Afsarpour tell you
 25 about InterMune?

00017:01 A. He said he has been monitoring or
 02 watching this share, and he is buying the shares

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03 of InterMune.
04 Q. Where were you when he told you
05 this the first time?
06 A. Probably at his flat because every
07 time his laptop is, you know, showing shares or
08 price of certain commodities or gold or whatever.
09 Yes, it must have been there.
10 Q. Have you -- in late 2010 did you go
11 to Mr Afsarpour's flat frequently?
12 A. Yes. You could describe it as
13 frequently. Yes.
14 Q. How many times a week would you go
15 to his flat in late 2010?
16 A. Once or twice because I used to
17 live at the time, you know, miles away from where
18 Mr Afsarpour lives. So every time I came to
19 Manchester to see my daughter I probably would go
20 for -- to say hello to Mr Afsarpour because he was
21 friend.
22 Q. And the times that you went he
23 would discuss InterMune with you?
24 A. Not every time he discuss
25 InterMune. We were sitting and having a cup of
00018:01 tea and this gentleman, as I say, his interest is
02 shares and buying commodities and stocks and these
03 sort of things, have you seen this? Have you seen
04 that? Pointing those to me and, yes, it was all a
05 bit over my head to be honest with you, a lot of
06 it, and I did not understand much.
07 Q. Now, do you know if Mr Afsarpour
08 would hold poker parties at his flat in
09 Manchester?
10 A. Yes.
11 Q. How often would he hold those poker
12 parties?
13 A. Poker parties would have been every
14 other week, or if the guys were round every
15 week-end, but mostly every other week, you know.
16 Q. Did you attend the poker parties?
17 A. Yes. Yes.
18 Q. And did you attend a poker party in
19 December 2010?
20 A. I cannot put my hand on the date,
21 so to speak, but, yes, I was one of the guys which
22 I attended these poker -- it was a way of
23 socialising, if you know, with friends, yes.
24 Q. At the poker parties did
25 Mr Afsarpour talk about investing in -- let me
00019:01 rephrase, at the poker parties that occurred in
02 late 2010, did Mr Afsarpour talk about investing
03 in InterMune?
04 A. He pointed out this company which
05 he showed the graphs and this sort of thing to
06 virtually everybody there. I am not sure who
07 really took so much notice of what this gentleman
08 was saying because in these poker parties
09 sometimes a few people they are chatting to each
10 other.

6. PAGE 19:19 TO 26:07 (RUNNING 00:08:18.090)

19 Mr Vasseghi, before we went off the record I had
20 posed -- you are were responding to my question
21 of -- at the poker party in late 2010, did
22 Mr Afsarpour discuss investing in InterMune and
23 you were responding, could you please continue
24 your response to that question.

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25 A. Well, he was introducing the
00020:01 company to everybody and saying -- showing the
02 charts on his laptop and saying he has been buying
03 the share of this company, has been monitoring
04 this company, so to speak, watching the company.
05 And he was suggesting, you know, the chances are
06 the shares might go up. The shares might ...
07 Q. Now, at any time in late 2010, when
08 Mr Afsarpour showed you charts or encouraged you
09 to invest in InterMune did he tell you that he
10 knew somebody who worked at the company?
11 A. No, he did not.
12 Q. Mr Vasseghi, did you invest with
13 Mr Afsarpour in InterMune in late 2010?
14 A. I did.
15 Q. Did you talk with anybody else
16 besides Mr Afsarpour before you invested?
17 A. I talked to Mr Sahab about it, yes.
18 Q. And do you know Mr Sahab's surname?
19 A. Sepahpourfard, yes.
20 Q. If you recall.
21 A. We always call each other by name.
22 Q. And what did you talk about with
23 Mr Sahab about investing with InterMune?
24 A. Well, I was asking him if he is
25 going to invest, and he said, yes, as much as he
00021:01 can afford to lose, so to speak, buying the
02 shares. If it did not work, so to speak, and if
03 he lost it it is not going to bother him, so to
04 speak. And he was suggesting to me I think you
05 should do the same if you like. Put a figure
06 which you think if you lose it is not going to, so
07 to speak, break you. And there was -- when you
08 talk to somebody, a friend, and if he is coming
09 along with you he give you a sense of confidence,
10 you know, to do it or not. If you are on the
11 fence, so to speak, when a friend comes along you
12 tend to be positive and let us go and this sort of
13 thing. That was it, I talked to Mr Sahab about
14 it, yes.
15 Q. Do you recall when that
16 conversation with Mr Sahab took place?
17 A. Probably on the night which we had
18 the poker game.
19 Q. The poker party in which
20 Mr Afsarpour encouraged people to invest?
21 A. He was telling everybody, yes.
22 Q. In late 2010?
23 A. That is right. But he has been
24 saying it for some time about this InterMune. I
25 can recall perhaps in November he was saying he
00022:01 was buying the shares and, you know.
02 Q. Did you open up a brokerage account
03 to invest in InterMune?
04 A. No, I did not.
05 Q. Did you give Mr Afsarpour money?
06 A. Yes, I did.
07 Q. How much money did you give
08 Mr Afsarpour to invest?
09 A. \$30,000.
10 Q. And how did you get that to
11 Mr Afsarpour?
12 A. Through bank.
13 Q. A wired bank transfer?
14 A. That is right, yes.
15 Q. Was this the first time that you

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16 ever invested, or was this the first time that you
17 ever followed one of Mr Afsarpour's encouragements
18 and invested in a security with him?
19 A. Perhaps, yes, it was the first
20 time. Yes.
21 Q. When you invested the \$30,000 what
22 did you think you were investing in?
23 A. Buying shares.
24 Q. Did Mr Afsarpour tell you that you
25 were buying shares?
00023:01 A. I was under the impression he is
02 buying shares because we saw the graph and charts
03 of shares. That is what I believed, yes.
04 Q. Did Mr Afsarpour tell you that he
05 himself was buying shares of InterMune?
06 A. I cannot recall he ever said such a
07 thing, but I was definitely under the impression
08 he is buying shares.
09 Q. Did Mr Afsarpour tell you later
10 after you invested that he actually was investing
11 in something else?
12 A. He said he has bought some options.
13 I did not know what options mean -- meant at the
14 time. I thought it was option of buying shares
15 and said I do not really mind. Perhaps that was a
16 spread bet. But at the time I did not know it is
17 a spread bet or whatever it is. I thought the
18 gentleman bought shares on behalf of me. I
19 trusted the gentleman. I passed money to my
20 friend which I knew for some time to buy shares on
21 behalf of me. How he went about it, i.e. buy
22 options I am afraid it was news to me. And then
23 explained to me options is you buy options either
24 for year, for 6 months, 4 months, whatever it is.
25 A lot of it is I did not have really the grasp of
00024:01 it to be honest with you. My impression was I am
02 buying shares. Somebody buys shares on behalf of
03 me.
04 Q. And that somebody was Mr Afsarpour
05 in this case?
06 A. That is right, yes.
07 Q. But you later learned that he did
08 not buy shares, correct?
09 A. Well, I did not know -- I thought
10 he is buying shares through the same media of
11 options. I did not know what option was.
12 Q. Okay.
13 A. Other than shares, yes.
14 Q. And I apologise for interrupting.
15 Do you recall after the poker party how much time
16 elapsed before you gave Mr Afsarpour the money?
17 A. Must have been next couple of days
18 after that. Something like that. With Mr Sahab we
19 made up our mind to go along with this and we did.
20 Bearing in mind we were coming to Christmas and
21 everybody was busy doing all sorts of things, yes.
22 Q. Earlier you mentioned, just a few
23 moments ago you mentioned the term spread bets, do
24 you know what spread bets are?
25 A. I do not know. I did not know. Now
00025:01 I know you can bet on -- I am not sure if it is
02 guessing if the price of a certain commodity will
03 go up or down. This is my understanding. And you
04 can bet accordingly if the price of, say, gold or
05 silver or crude oil is either going up or down you
06 can play it that way. But I never play it, market

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07 so ...
 08 Q. When you provided the money for
 09 Mr Afsarpour did you want to invest by placing a
 10 spread bet?
 11 A. No. I was hoping not.
 12 Q. And you mentioned Mr Donnelly's
 13 name a few moments ago, you, myself and
 14 Mr Donnelly met last week, is that right?
 15 A. Yes.
 16 Q. We talked about many of the things
 17 we are talking about here?
 18 A. Of course we did, yes.
 19 Q. In fact, you have also met with SEC
 20 attorneys before in London a few years ago,
 21 correct?
 22 A. Yes, Catherine.
 23 Q. Do you remember the name of the
 24 individual you met?
 25 A. Catherine Whiting and Nina. Was it
 00026:01 Nina?
 02 Q. Nina Finston, does that name ring a
 03 bell?
 04 A. Probably.
 05 Q. Have you ever had any contact with
 06 Mr Cooke? Mr Afsarpour's attorney?
 07 A. No.

7. PAGE 26:14 TO 26:16 (RUNNING 00:00:05.811)

14 Q. But if he had called there would
 15 have been no reason for you not to talk to him?
 16 A. Exactly.

8. PAGE 26:17 TO 27:25 (RUNNING 00:02:05.968)

17 Q. Now, when Mr Donnelly informed you
 18 last week that Mr Afsarpour, in fact, did not
 19 invest in options, but rather in spread bets on
 20 options what was your reaction?
 21 A. I was surprised to be honest with
 22 you. I did not know the gentleman is done a
 23 spread bet. Even in the last interview which I had
 24 in London and Mrs Whiting keep telling me you have
 25 invested in spread bet and I keep -- absolutely
 00027:01 keep asking the same question, did we. I did not
 02 know what it meant. I did not know options or the
 03 way Mr Afsarpour who has done it was a spread bet
 04 to be honest with you. I keep -- it was not
 05 explained to me. I just passed some money to
 06 Mr Afsarpour to buy shares on behalf of me. That
 07 was it. I did not know if the gentleman is going
 08 to invest it in terms of option or physically buy
 09 shares or whatever it was. Just trusted the guy.
 10 My friend.
 11 Q. Do you know anybody else besides
 12 Mr Sahab who invested in InterMune based on
 13 Mr Afsarpour's encouragements?
 14 A. It was me and Mr Sahab and a
 15 partner of Mr Afsarpour and, of course, I told my
 16 daughter about it.
 17 Q. What is your daughter's name?
 18 A. Shireen.
 19 Q. And how do you spell that?
 20 A. S-H-I-R-E-E-N. Shireen Vasseghi. I
 21 told her that I have invested in shares.
 22 Apparently my friend, Mr Afsarpour, has been
 23 watching these shares and he thinks there is a
 24 good chance of it -- which the price of shares

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25 might go up, if she wants to invest she can do so.

9. PAGE 28:07 TO 29:04 (RUNNING 00:01:10.247)

07 Q. What happened after you made the
08 investment with Mr Afsarpour? What happened with
09 the investment I should say?
10 A. What happened?
11 Q. Yes.
12 A. I was under the impression, or I
13 have the message of these options were for April,
14 and so I was expecting some times in April
15 something might happen or we are going to hear
16 something or if -- April was the price of shares.
17 Q. Did something happen before April?
18 A. It happened in December, yes.
19 Q. And what happened in December?
20 A. The price of shares went up, yes.
21 Q. How did you learn that the price of
22 the shares went up?
23 A. Mr Afsarpour told me.
24 Q. How long after the investment, when
25 you made the investment with Mr Afsarpour did the
00029:01 shares go up, if you recall?
02 A. 10 days. 10 days. I do not know.
03 10 days. Week. I am not sure. I cannot recall
04 really.

10. PAGE 29:12 TO 30:10 (RUNNING 00:01:07.844)

12 Q. Let me rephrase that. Did you make
13 money when the shares went up?
14 A. Everybody hoped so. I mean when
15 you are buying shares and the price of share goes
16 up it is -- you have made profit. Yes.
17 Q. Did you ask Mr Afsarpour to take
18 your share of that profit and give it to you?
19 A. No, I did not at the time, no.
20 Q. When you say, "at the time" what
21 time are you referring to?
22 A. Well, we are talking about when the
23 share prices went up, yes. I just left everything
24 to Mr Afsarpour judgements.
25 Q. Did you ever learn from
00030:01 Mr Afsarpour that his trading account had been
02 frozen?
03 A. He told me his account is being
04 frozen. I cannot remember exactly when he told me.
05 I cannot tell you the date, I am afraid. 5 years
06 ago, I am afraid, but he told me the account is
07 being frozen. Yes.
08 Q. Was it after the shares had gone
09 up?
10 A. I think so, yes.

11. PAGE 30:12 TO 31:08 (RUNNING 00:01:19.073)

12 Before investing did Mr Afsarpour
13 ever mention the name Sasan Sabrdaran?
14 A. No, he did not.
15 Q. Did he mention it to you after he
16 told you his accounts were frozen?
17 A. He told -- I cannot recall exactly
18 when he told me. I think when he said there is an
19 investigation he mentioned the same Sasan.
20 Q. And what did he tell you? Did he
21 tell you anything more about Sasan during this
22 conversation?

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23 A. No, he said he knew somebody called
 24 Sasan. I did not know what his surname was. I
 25 have never come in contact with this gentleman.
 00031:01 Never knew he existed to be honest with you. So
 02 he said he knew this gentleman for some time. Some
 03 time, I do not know exactly how long it was, yes.
 04 But it came to my knowledge last time which I had
 05 the interview in London, Catherine told me
 06 Mr Afsarpour has been looking after Mr Sasan's dad
 07 or something like that in Iran. I did not know
 08 that before. I never knew that.

12. PAGE 31:09 TO 34:01 (RUNNING 00:03:17.318)

09 Q. Did Mr Afsarpour tell you as part
 10 of the conversation regarding the investigation
 11 that Sasan worked at InterMune?
 12 A. No, he did not.
 13 Q. He never told you that Sasan worked
 14 at InterMune?
 15 A. No.
 16 Q. Did you learn at a later date that
 17 Sasan did work at InterMune?
 18 A. Later on when the investigation was
 19 on, yes, I knew Mr Afsarpour told us he knew
 20 somebody. Mr Sasan he knew, which he works in
 21 that company.
 22 Q. Okay. Did you ever discuss
 23 Afsarpour telling you that he knew Sasan worked at
 24 InterMune with Mr Sahab?
 25 A. After when the investigation was
 00032:01 there I was asking Mr Sahab did you knew he knew
 02 somebody in the company. He said, no, he did not
 03 and I did not, no, the discussion with Mr Sahab.
 04 Q. What was your reaction when you
 05 learned that Mr Afsarpour knew somebody who worked
 06 at InterMune?
 07 A. A bit surprised. And Mr Sahab was,
 08 I think, yes. I think Mr Sahab was more surprised
 09 because he is -- he knows Mr Afsarpour over
 10 30 years perhaps. Perhaps he thought, you know,
 11 he is friend perhaps he should have told him if
 12 that is the case. I certainly did not know.
 13 Mr Sasan exist as such.
 14 Q. Mr Vasseghi, I am handing you what
 15 has been marked as Exhibit 28, can you please take
 16 a look at that?
 17 (Exhibit 28 marked for identification)
 18 A. My numbers.
 19 Q. Yes. In one of the breaks I asked
 20 you to write down your name and your mobile number
 21 and your residence number and your email, is that
 22 right?
 23 A. That is right.
 24 Q. And does Exhibit 28 accurately
 25 reflect your residence and mobile number that you
 00033:01 had in 2010 to the best of your recollection?
 02 A. That is right.
 03 Q. And is the email listed, the email
 04 address listed on Exhibit 28, is that the email
 05 address that you had in late 2010?
 06 A. Yes.
 07 Q. Thank you. I just have a few more
 08 questions. Mr Vasseghi, Mr Afsarpour is a friend
 09 of yours, is that right?
 10 A. Yes.
 11 Q. When was the last time you spoke

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12 with Mr Afsarpour?
13 A. When?
14 Q. Yes.
15 A. 2 weeks ago. 10 days ago.
16 Q. Did you tell him that you were
17 coming to meet with the Securities and Exchange
18 Commission, with Mr Donnelly and myself?
19 A. Yes, he was at knowledge. He knew.
20 Q. Did he say anything to you when you
21 told him?
22 A. Not in particular, no.
23 Q. Did he say anything?
24 A. He said I suppose this is another
25 interview same as the one which you went for in
00034:01 London.

13. PAGE 34:02 TO 34:05 (RUNNING 00:00:08.803)

02 Q. Do you consider Mr Afsarpour a
03 close friend?
04 A. Yes, even though my life is a bit
05 changed now. You know, I have a lot of -- I have

14. PAGE 35:03 TO 35:04 (RUNNING 00:00:03.180)

03 MR SMITH: Mr Vasseghi, I just have
04 a few more questions.

15. PAGE 35:20 TO 37:03 (RUNNING 00:01:30.835)

20 Q. You mentioned that your daughter,
21 Shireen, invested in the InterMune deal, do you
22 know if she opened her own brokerage account?
23 A. No, she did not.
24 Q. How did Shireen invest in
25 InterMune?
00036:01 A. As you say, she wired the money to
02 Mr Afsarpour.
03 Q. And do you know when she wired that
04 money?
05 A. After which I have invested. I do
06 not know, 2 or 3 days. 2 days. Whatever.
07 Q. Do you know how much she invested?
08 A. She invested \$10,000.
09 Q. Do you know how much -- or how did
10 you -- how much profit -- how much money did you
11 get back once Mr Afsarpour gave you the profit
12 from your investments?
13 A. \$175,000 or thereabouts. Yes.
14 Q. How about Shireen, do you know how
15 much money she got out of the deal?
16 A. I think she got about \$40,000. Or
17 less than \$40,000.
18 Q. Do you know the company that
19 Mr Afsarpour was placing the spread bets with?
20 A. I think, was it IG?
21 Q. Is that your recollection?
22 A. It is my recollection. I am not --
23 I keep saying I did not think it was a spread bet.
24 At the time I think it was buying shares, yes,
25 want to say that.
00037:01 Q. Did you know that IG or IG Index
02 was a spread betting company?
03 A. At the time I did not.

16. PAGE 37:06 TO 39:09 (RUNNING 00:02:43.868)

06 MR COOKE: I have a few questions.
07 I am Christopher Cooke. We met in the hallway. I

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08 represent Mr Afsarpour. I want to ask you about --
09 a couple of questions about this issue about
10 buying shares versus spread bets that counsel
11 asked you about.
12 Q. When you gave money to Afsarpour it
13 was, if I understand it, after he showed you a
14 chart showing the share price, is that right?
15 A. Yes.
16 Q. And so in 2010 did you know what
17 spread bets were?
18 A. I did not know a -- what a spread
19 bet was. The most I knew is when I saw that graph
20 it was the price of a share going up. And, you
21 know, Mr Afsarpour showed us that graph I keep
22 saying, "what happened there?" Of course, it was
23 a spike or a drastic increase in price. And he
24 said, "well, they introduced --", or it was a take
25 over bid. Something in that nature. I am not
00038:01 sure what he said.
02 But, you know, when you asked
03 Mr Afsarpour what makes you think which is this
04 keep telling must buy shares, buy these shares,
05 what has happened, keep saying he has been
06 watching the shares and the volume of shares has
07 gone up, increased, and the price of share
08 increase. So these are the explanation of that
09 gentleman. The chances are it might go up. The
10 price of share might go up.
11 Q. So he had been telling you that he
12 has been watching the shares and they had gone up
13 and he thought it would go up again?
14 A. Yes.
15 Q. And what you were looking at, what
16 you understood you were looking at was a chart of
17 the stock price, is that right?
18 A. That is right.
19 Q. Did he specifically tell you that
20 he was going to buy shares or spread bets or
21 options, or did you just assume he was buying
22 shares?
23 A. I assumed. And the option then we
24 are only talking about shares. I did not know
25 option exist. I did not know what option means.
00039:01 Same as I was not really familiar with the spread
02 bet, how a spread works. I am afraid you might
03 say I am a bit ignorant of these things, but I
04 have never come across these things before. It was
05 all new to me. Never seen it before. Never
06 familiar with the terms really.
07 Q. Were you leaving it up to his
08 discretion as to how to best invest your money in
09 InterMune?

17. PAGE 39:11 TO 40:04 (RUNNING 00:00:52.341)

11 A. I was just leaving it to my friend
12 to make an informed decision on behalf of me. I
13 was just passing the money to Mr Afsarpour to buy
14 shares.
15 BY MR COOKE:
16 Q. Do you know about whether there are
17 any tax advantages between buying spread bets on a
18 security versus buying shares in the UK?
19 A. I did not know at the time. Later
20 on when Mr Afsarpour he was returning the money to
21 us and the rest of it he said, "ah, well, you do
22 not have to pay" -- he asked his solicitor. He

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23 said, "you do not have to pay tax on this because
24 it is an option and an option does not come to tax
25 bracket".
00040:01 Q. So he told you later that you did
02 not have to pay taxes because of the way in which
03 he invested your money?
04 A. Yes.

18. PAGE 40:07 TO 40:09 (RUNNING 00:00:05.359)

07 Q. Do you know if that is the reason
08 why he purchased spread bets instead of something
09 else?

19. PAGE 40:11 TO 43:17 (RUNNING 00:05:34.334)

11 A. I do not know. I do not know, but,
12 of course, I just passed the money to somebody who
13 knew what he was doing. He was dealing in shares
14 and he had accounts. I am afraid I neither had
15 accounts or never bought any shares or sold any
16 shares. It was all dark to me. When I say dark
17 it is not dark, something which I have not come
18 across. Did not know what to think. But, you
19 know, this gentleman he has being doing this for a
20 long time, and the reason which he really, you
21 might tell me, or this gentleman might tell me, Mr
22 Smith tell me why did you invest, for me it was
23 Mr Afsarpour was buying the shares of these
24 company, i.e. even in, well, in November or even
25 in that October or November, and he keeps buying
00041:01 the shares, and he was suggesting and I told him
02 what is good enough for Mr Afsarpour is good
03 enough for me since I did not know anything about
04 how the market works or this sort of thing. So I
05 was going along with it.

06 Q. Would you describe Mr Afsarpour as
07 a successful businessman?

08 A. Yes. Yes, he is successful. He is
09 a gentleman which he can make decisions quickly.
10 That indicate a sharp mind to me. You might throw
11 an idea to me, it takes me a while for me to
12 analyse it or to come round to it or, you know, to
13 understand it even some time, because shares was
14 not my game. If you had shown me something in
15 terms of properties or is this worth it or is it a
16 good investment. I had better experience about
17 it. But this shares or options absolutely it was
18 no experience of it whatsoever and I just trusted
19 on that account to Mr Afsarpour to invest it on
20 behalf of me.

21 Q. Was Mr Afsarpour's experience,
22 prior experience in investing in the securities
23 markets one of the reasons why you decided to
24 invest with him at this time, in December of 2010?

25 A. Yes. He knew what he was doing.
00042:01 Well, I did not have a faintest idea. This
02 gentleman he was trained. He did a course. He
03 had a badge, so to speak. And he had his own
04 account to buy. So to me which I was a real
05 novice in the game. He was -- I trusted him.

06 Q. Was his behaviour in suggesting
07 this investment at this poker party and before,
08 when he talked to you before, was it at all
09 unusual for him to make these types of
10 suggestions?

11 A. No. No, it is not. He is a very
12 confident guy. He is a very convincing guy. I

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13 would not say he is forceful, but when he thinks
14 he is on the right track he can really argue his
15 corner. He can impress people with his reasoning
16 and that is the nature of the gentleman. He is an
17 extremely confident and forthcoming person. And
18 when he think he is -- about any shares or price
19 of, say, oil is going down or going up he really
20 can -- he really puts his arguments forward. He
21 come across like that. Yes.

22 Q. And did he come across this way,
23 this forceful, confident way when he was talking
24 to you about InterMune?

25 A. Well, in November I did not know
00043:01 what InterMune was. He was saying he has been
02 looking at the charts of this InterMune and, you
03 know, all the indications are which the price of
04 share will go up because the volume and the price
05 is going up. That was it. Yes. He was confident
06 about this -- probably the shares prices will go
07 up.

08 But I say, for example, I bought
09 shares I thought at the most the share might lose
10 \$3 a share. If it gains I do not know how much
11 the share goes. So the risk was limited to go
12 along with such a project. And I never thought for
13 a minute -- I thought worse comes of the worst I
14 might lose about \$5,000 because I was buying
15 shares. The price of that share might come down.
16 If it goes up, well, it was an exciting time. And
17 if it goes up.

20. PAGE 44:04 TO 45:11 (RUNNING 00:02:12.087)

04 Q. Was he acting unusual at all when
05 he was discussing InterMune versus other
06 investments?

07 A. No, self-confident chap which I say
08 the gentleman is. He was arguing the same way as
09 he was arguing about the price of gold and/or even
10 whatever commodities. And whatever it was. It was
11 the same Mr Afsarpour which I knew. And for me
12 with spread bet, as Mr Donnelly says, I was under
13 the impression spread bets you might lose all your
14 money or whatever it is. But I was buying shares
15 and how much can I lose when a price of a share
16 will go down. So \$2 a share or whatever it was. I
17 was prepared myself for a small, you know, loss,
18 but the gain was well...

19 Q. I want to ask you little bit --
20 questions about a little bit different topic,
21 about the type of person Mr Afsarpour is, would
22 you say he is a person who likes to take risks?

23 A. Yes.

24 Q. In what way have you seen him take
25 risks?

00045:01 A. Starting new businesses. He -- you
02 know, he might chat to somebody and think, well,
03 this guy he has got potential in certain line of
04 business, and since he always liked this sort of
05 adventures, can I say a few pots cooking at the
06 same time, he always adventure and, as you say,
07 take risk. He goes for it. Some of it might
08 absolutely turn sour. Some of it might turn rosy.
09 But he is the gentleman who takes risk. Yes.

10 Q. Did you think of him as an
11 optimistic person?

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21. PAGE 45:14 TO 45:20 (RUNNING 00:00:30.212)

14 A. Optimistic is a matter of opinion.
15 If you think somebody is optimistic, or, I do not
16 know, a fool for example, well, he is positive. He
17 is positive. And he thinks if you put your foot
18 forward with a positive intention good things will
19 happen rather than see the negative side of
20 things. Yes.

22. PAGE 45:22 TO 46:10 (RUNNING 00:00:57.736)

22 Q. Would you describe him in terms of
23 his character, is he a generous person?
24 A. Yes, he does a lot of charity work.
25 He gives a lot to charity. He invest a lot of his
00046:01 time in charity. I think the most thing which you
02 can be generous with is your time really,
03 especially for a person like Mr Afsarpour which
04 is -- he is a busy person. If you are there his
05 mobile goes ten times more than mine. He is
06 always on his laptop chatting to people. He is a
07 very outgoing personality. And he come across
08 different people and I say he make his decision
09 quickly. He is positively taking decision, let us
10 see what happens.

23. PAGE 47:19 TO 48:13 (RUNNING 00:00:54.676)

19 Q. And then in terms of these
20 investments in InterMune that I think you
21 testified you made and your daughter made, did you
22 think at the time you were making these
23 investments that you were participating in
24 something that was illegal or wrong?
25 A. No, none whatsoever.
00048:01 Q. And you have met with the SEC a
02 number of times, is that right?
03 A. Once I met them in London about
04 3 years ago.
05 Q. 2012?
06 A. That is right, yes, 2012.
07 Q. And then last week, right?
08 A. And we had a short conversation. I
09 saw them last week.
10 Q. But in all these times have you
11 tried to tell them the truth as best you can
12 recall about these events?
13 A. I surely have, yes.

24. PAGE 49:06 TO 51:07 (RUNNING 00:03:26.988)

06 Q. In speaking with Mr Cooke you said
07 that Mr Afsarpour was -- is your testimony that
08 Mr Afsarpour was telling you that he was buying
09 shares in October or buying shares in November;
10 was that your testimony?
11 A. I think he said he has been buying
12 InterMune shares, yes, before, certainly before I
13 passed the money and asked the gentleman to buy
14 shares on my behalf. He has been doing that.
15 Q. And Mr Cooke also asked you --
16 well, how far do you recall how -- what the first
17 time -- when the first time was that Mr Afsarpour
18 said he was buying shares of InterMune?
19 A. November. Must have been November.
20 First time I come across it which I -- 5 years
21 ago, latter part of November, middle of November

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22 which he said. It was in 2010 which he was buying
23 the shares of InterMune. Or perhaps before. I am
24 not sure what his holding was at the time.
25 Q. You also, you and Mr Cooke also
00050:01 talked about how there was the way Mr Afsarpour
02 presented his encouragement to buy InterMune was
03 the same forceful, confident way that he suggested
04 you buy Vodafone, is that right?
05 A. Yes.
06 Q. Or gold or oil, now, did you ever
07 give Mr Afsarpour \$30,000 to invest in Vodafone?
08 A. Vodafone it was well before I came
09 to the scene or get familiar with buying shares or
10 anything. Vodafone it was something which
11 Mr Afsarpour has invested in the past and he was
12 telling us about it. So at the time I was not
13 round in the scene to invest in Vodafone or
14 anything like that.
15 And may I remind you, which I said
16 the reason which I invested on this shares
17 virtually it was the fact that my game was
18 properties, and properties at the time in England,
19 perhaps same as in USA, dead market. Nothing
20 happening. If anything, it was on the slide and
21 the market was -- price of properties going from
22 bad to worse, going lower and lower. And I did
23 not -- I had money in my account doing nothing,
24 and I thought I will invest in the share of
25 InterMune because I could not see to myself to buy
00051:01 any property in future.
02 As a matter of fact for the next
03 3 years after that I never bought any other
04 properties. So there was -- I had money in the
05 bank. And the idea came InterMune, buy shares. I
06 thought I will buy shares with a limited risk of
07 how much can they go, how much low can they go.

25. PAGE 51:08 TO 52:22 (RUNNING 00:02:04.216)

08 Q. Sure. I guess my question is even a
09 little simpler, you never gave Mr Afsarpour money
10 to invest in Vodafone, did you?
11 A. No, I did not.
12 Q. Ever give him money to invest in
13 gold?
14 A. Gold, no. Because that being a
15 spread bet in my understanding.
16 Q. And you did not want to give money
17 to Mr Afsarpour to invest in spread bets?
18 A. I was buying shares.
19 Q. You talked about at the poker party
20 how Mr Afsarpour showed you a chart with a big,
21 high spike in the share price?
22 A. Yes.
23 Q. Was that a chart for InterMune?
24 A. Yes.
25 Q. And did Mr Afsarpour tell you why
00052:01 he thought the big spike in the price occurred?
02 A. The previous one?
03 Q. The previous big spike, yes.
04 A. I think it could have been the fact
05 either they were overtake -- somebody overtaking
06 the company, or introduction of a medicine or
07 whatever it was. Bearing in mind that when you
08 talk about these poker games it is not that you
09 are sitting round here, everybody is very
10 focussed, it was a socialising night and everybody

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11 chatting to each other, somebody playing
12 backgammon. At the same time quite noisy. Music
13 was out. You know, how much of it did you grasp
14 at the time. I do not know, you had to be really
15 focussed or listen to the guy otherwise it was
16 busy socialising. That came about when he said
17 it. Some people take notice of it. Some perhaps
18 did not.
19 Q. And Afsarpour told you the spike
20 and gave you what he thought was the reasons?
21 A. I think it was overtake or
22 introduction of a new medicine.

26. PAGE 53:02 TO 54:18 (RUNNING 00:02:02.106)

02 Q. In 2010 you said you had money in
03 your bank account? Why was that? What was the
04 source of that?
05 A. I have sold a couple of businesses
06 and had #150,000, something in that nature in my
07 account.
08 Q. Was it unusual for you to have that
09 much money sitting in cash in your bank account?
10 A. Yes, because -- yes, certainly it
11 was unusual because I have never sold a couple of
12 businesses virtually at the same time. But I was
13 coming after divorce and I had enough of these
14 things so got rid of the businesses and the money
15 was there.
16 Q. When Mr Afsarpour talked to you
17 about Vodafone did you have the same amount of
18 money available for investment?
19 A. No. But I have never been, so to
20 speak, poor, or I cannot say I had -- I certainly
21 did not have that figure in my account, but I was
22 always -- there was a few thousand pounds in my
23 account, yes.
24 Q. Before the financial crisis in
00054:01 2008/2009, where did you invest most of your
02 money?
03 A. Properties. Buy to let scheme,
04 investment and commercial properties.
05 Q. So was it your practice to not have
06 a large cash balance in your bank account, but
07 rather to invest that money during this period
08 before the crash?
09 A. I probably would have invested in
10 properties, but as I was saying England, same as
11 USA, the price of property was on the slide. And
12 if you buy something today 6 months down the line
13 you would have lose a good few thousand pounds.
14 That was the nature of what happened.
15 Q. So just to wrap up, so when he was
16 talking to you about InterMune you happened to
17 have more than you normally did sitting in cash in
18 your bank account available for investment, is
that accurate?

27. PAGE 54:22 TO 54:24 (RUNNING 00:00:11.814)

22 A. It is true. For the next 3 years
23 the money was even in my account and I did not
24 need it to invest in anything.

TOTAL: 1 CLIP FROM 1 DEPOSITION (RUNNING 00:55:49.931)

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 Sepahpourfard, Sahab (Vol. 01) - 10/27/2015

1 CLIP (RUNNING 00:48:32.588)

 FINAL

SS-1027-0000522-002

25 SEGMENTS (RUNNING 00:48:32.588)



1. PAGE 6:07 TO 6:13 (RUNNING 00:01:01.488)

07 7 THE VIDEOGRAPHER: Thank you. Will
08 8 the Court Reporter please swear in the witness and
09 9 we can proceed.
10 10 Mr Sahab Sepahpourfard
11 11 having been duly sworn
12 12 testified as follows:
13 13 EXAMINED BY MR SMITH:

2. PAGE 7:02 TO 10:03 (RUNNING 00:03:01.854)

02 2 Q. Sir, could you, please, spell your
03 3 name for the record?
04 4 A. Sahab, S-A-H-A-B, Sepahpourfard is
05 5 S-E-P-A-H-P-O-U-R-F-A-R-D.
06 6 Q. Mr Sepahpourfard, where were you
07 7 born?
08 8 A. In Iran, Tehran.
09 9 Q. And when did you move to the United
10 10 Kingdom?
11 11 A. 1978.
12 12 Q. In 1978 when you moved to the
13 13 United Kingdom in which part of the United Kingdom
14 14 did you move?
15 15 A. I came straight to Manchester.
16 16 Q. Have you lived in Manchester since
17 17 1978?
18 18 A. Correct.
19 19 Q. Of what country are you a citizen?
20 20 A. England. United Kingdom.
21 21 Q. Are you a citizen of any other
22 22 country?
23 23 A. I also have -- I have the two
24 24 passports, but my residence is in England.
25 25 Q. Do you have dual citizenship with
00008:01 1 England and Iran?
02 2 A. Yes, I have.
03 3 Q. What do you do for a living
04 4 Mr Sepahpourfard?
05 5 A. Food takeaway shop.
06 6 Q. Do you own that business?
07 7 A. I am partner with Mr Afsarpour.
08 8 Q. Have you done anything else beside
09 9 own a food shop with Mr Afsarpour?
10 10 A. Anything else like business wise?
11 11 Q. Yes, for a living.
12 12 A. For a living?
13 13 Q. Yes.
14 14 A. No. I do not think so. No, I have
15 15 not.
16 16 Q. Did you live in Manchester in 2010?
17 17 A. Did I live in Manchester?
18 18 Q. Yes.
19 19 A. Of course, yes.
20 20 Q. And what was your income in 2010?
21 21 Your annual income?

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22 22 A. It is about, I do not know, 13,000
23 23 14,000.
24 24 Q. Pounds?
25 25 A. Probably.
00009:01 1 Q. Per annum? Annual?
02 2 A. That was the profit of the shop.
03 3 Q. In 2010 did have you a cellular
04 4 phone?
05 5 A. 2010?
06 6 Q. Yes.
07 7 A. Yes, I have.
08 8 Q. Do you remember the number that you
09 9 had in 2010, that phone number?
10 10 A. That is about 5 years ago.
11 11 Probably it was 079858 -- or 720. Something like
12 12 that.
13 13 Q. Is it the same number that you have
14 14 today?
15 15 A. No, I do not think so. I do not
16 16 think so, no. I have a different number.
17 17 Q. Did you have a number at your
18 18 residence? A phone number at your residence in
19 19 2010?
20 20 A. Yes, 614, it is 0161 49578.
21 21 Q. How about at the shop? In -- are
22 22 you at the shop now that you were in 2010 --
23 23 A. Yes, I am in the same shop.
24 24 Q. -- and is the phone number the
25 25 same?
00010:01 1 A. The phone number is the same, yes.
02 2 Q. And what is that phone number?
03 3 A. 0161 4487520.

3. PAGE 10:07 TO 11:15 (RUNNING 00:02:04.544)

07 7 Q. Do you anyone named
08 8 Balvinder Nijjar?
09 9 A. Yes.
10 10 Q. How do you know Mr Nijjar?
11 11 A. I know Mr Nijjar about since
12 12 probably 1988, '89. I had a car that -- I met him
13 13 in a garage of my friend, and he wanted my car so
14 14 I sold my car to him. That is when I first met
15 15 Mr Nijjar.
16 16 Q. Whose -- you said you were at a
17 17 friend's garage, whose friend was that? What was
18 18 the name of that friend?
19 19 A. It was -- I think it was Shahrokh
20 20 because it has changed hands a few times in the
21 21 past 20-odd, 30 years or so. It is a long time. I
22 22 do not know, 25. But I can name a few which is --
23 23 one of them is either Ali Shahrokh, not this
24 24 Shahrokh, but I know now is another Shahrokh is
25 25 maybe Raheem. And also Mr Afsarpour Farhang also
00011:01 1 had a garage. It was this garage. That was about
02 2 19 -- about 1995 that he wanted to go in this
03 3 garage. He had it for a short while and just --
04 4 he got rid of it because it was not...
05 5 Q. Do you know if Mr Nijjar knows
06 6 Mr Afsarpour?
07 7 A. Yes.
08 8 Q. Do you know anyone named Homeyra
09 9 Shahbodaghloo?
10 10 A. I have heard only Homeyra. I do
11 11 not know the surname or I never met or spoke to.
12 12 Q. What do you know about Homeyra?
13 13 A. I just know that he is not in

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14 14 England. She is not in England. She is abroad.
 15 15 Probably in the States.

4. PAGE 11:21 TO 14:03 (RUNNING 00:02:38.085)

21 21 Q. Do you know if Homeyra knows
 22 22 Farhang Afsarpour?
 23 23 A. I presume yes. I have heard a few
 24 24 times after 2000 -- after this, sort of, problem
 25 25 with the shares I have heard of the Homeyra that
 00012:01 1 apparently is one of the person who bought some
 02 2 shares.
 03 3 Q. How did you learn this information?
 04 4 A. It was just through the
 05 5 conversation.
 06 6 Q. With whom?
 07 7 A. With Farhang and maybe, I do not
 08 8 know, some others that know them.
 09 9 Q. Mr Afsarpour told you that a woman
 10 10 living abroad named Homeyra also bought shares?
 11 11 A. I do not know if he mentioned that
 12 12 he is living abroad, but I presume he is abroad --
 13 13 she was abroad. I do not know.
 14 14 Q. But Mr Afsarpour told you --
 15 15 A. But I know that she is abroad now.
 16 16 Q. -- okay.
 17 17 A. I cannot remember where exactly.
 18 18 Q. You learned from Mr Afsarpour that
 19 19 Homeyra bought shares as well?
 20 20 A. Yes. Yes.
 21 21 Q. We have talked a little bit about
 22 22 Farhang Afsarpour, when did you meet Mr Afsarpour?
 23 23 A. When?
 24 24 Q. Yes.
 25 25 A. How many years ago?
 00013:01 1 Q. Where did you meet --
 02 2 A. Where? When I started work in one
 03 3 of the shops and chain, take away shops and I met
 04 4 Mr Afsarpour there. He was already working there.
 05 5 So we met there. I think it was around 1980 or
 06 6 '81.
 07 7 Q. -- did you and Mr Afsarpour become
 08 8 friends?
 09 9 A. Yes.
 10 10 Q. Are you still friends today?
 11 11 A. Yes.
 12 12 Q. Mr Sepahpourfard, have you ever
 13 13 made any investments in financial securities?
 14 14 Shares?
 15 15 A. I have, yes.
 16 16 Q. And how many times have you made
 17 17 investments in financial securities?
 18 18 A. The only time before this ITMN
 19 19 shares I bought with my first wife, we bought some
 20 20 Eurotunnel shares.
 21 21 Q. And when did you purchase the
 22 22 Eurotunnel shares?
 23 23 A. I do not know. It was not built
 24 24 yet. So it was maybe a year or two before the,
 25 25 sort of, finish.
 00014:01 1 Q. Did you --
 02 2 A. In the '80s. I say in late '80s it
 03 3 was...

5. PAGE 15:06 TO 16:25 (RUNNING 00:02:49.735)

06 6 Q. Do you know did Mr Afsarpour
 07 7 encourage you to invest in Vodafone?

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08 8 A. A lot, yes.
 09 9 Q. Did you ever invest in Vodafone?
 10 10 A. No.
 11 11 Q. Are there other financial
 12 12 securities or other things that Mr Afsarpour
 13 13 encouraged you to invest in?
 14 14 A. Yes, this shop that we are in at
 15 15 the moment. Actually he came with the idea that
 16 16 Sahab -- he said because I came out of Kentucky
 17 17 ten years. It was about 1991 or '2 I came out of
 18 18 Kentucky and I went to Farhang's shop. I was his
 19 19 manager, and Farhang suggest me why don't you open
 20 20 a shop together. And I said I am all with it,
 21 21 but -- and he found a shop actually. So -- and I
 22 22 thought it was a good spot and it looked good. So
 23 23 that is what we did. It was around -- it was 1995.
 24 24 Q. Other than the shop that you and
 25 25 Mr Afsarpour currently own did you invest in any
 00016:01 1 financial securities or commodities that
 02 2 Mr Afsarpour recommended to you?
 03 3 A. Not many, no. I have not at all
 04 4 until this ITMN.
 05 5 Q. All right. And we will talk about
 06 6 ITMN in a few minutes.
 07 7 A. Sure.
 08 8 Q. How many times do you think --
 09 9 well, how many times did Mr Afsarpour suggest
 10 10 stocks or securities or financial investments
 11 11 other than the shop? How many times did he
 12 12 mention those to you, say, starting in 2000?
 13 13 A. A lot of times. I say a lot. I do
 14 14 not know maybe around maybe 6, 7 times maybe. I
 15 15 cannot be sure exactly how many times. But a few
 16 16 times. Less than 10 times.
 17 17 Q. You have mentioned ITMN, did
 18 18 Mr Afsarpour ever encourage you to invest in
 19 19 ITMN -- in a stock with the ticker symbol ITMN?
 20 20 A. He advised me to get some shares.
 21 21 Apparently it was ITMN. And it was around -- as
 22 22 we said I think it was 2010.
 23 23 Q. Do you remember when in 2010?
 24 24 A. I do not remember exactly. Even
 25 25 which month it was. I know it was around 2010.

6. PAGE 17:11 TO 25:05 (RUNNING 00:10:05.838)

11 11 Q. Describe the circumstances that
 12 12 Mr Afsarpour first mentioned investing in ITMN?
 13 13 A. The very first time?
 14 14 Q. Yes.
 15 15 A. I cannot remember the very first
 16 16 time. I cannot remember exactly when was the very
 17 17 first time. But he -- a few times I think he
 18 18 showed the graph as I recall a few times. Showed
 19 19 the graph and the share. But I could not
 20 20 understand at first. But when he showed me the
 21 21 previous year that the share went up so much on
 22 22 that ITMN, sort of, he said that -- it is a good
 23 23 idea if you want to put some money.
 24 24 Q. He showed you a chart that
 25 25 showed --
 00018:01 1 A. The chart.
 02 2 Q. -- a chart that showed ITMN stock
 03 3 going up at a prior period, is that right?
 04 4 A. That is right, yes.
 05 5 Q. Did you ask Mr Afsarpour what ITMN
 06 6 stood for?

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07 7 A. I cannot remember. Even if he told
08 8 me I have forgotten because even last week when I
09 9 spoke to you and the interview I could not
10 10 remember. Probably he told me. Probably. I say
11 11 most probably must have asked, but I cannot
12 12 remember.

13 13 Q. You do not have any specific
14 14 recollection of asking?

15 15 A. No.

16 16 Q. Do you have any recollection about
17 17 asking anything about what the company did?

18 18 A. No.

19 19 Q. Do you know what the company does
20 20 today?

21 21 A. I do not know. I am not following
22 22 it. I presume it is the same thing.

23 23 Q. Did Mr Afsarpour ask you more than
24 24 one time or encourage you more than one time to
25 25 invest in ITMN?

00019:01 1 A. I cannot recall if he mentioned
02 2 ITMN or not because a few times he asked me maybe
03 3 for different shares and I cannot remember the
04 4 names. I am not very good, but ...

05 5 Q. Does Mr Afsarpour hold poker
06 6 parties at his house?

07 7 A. Yes, he does.

08 8 Q. How often does he hold poker
09 9 parties at his house?

10 10 A. Sometimes once every fortnight. It
11 11 can happen once a week, and also it can happen
12 12 once every four weeks because sometimes we go
13 13 other side to Sheffield to the other guys, or they
14 14 come here. So it is -- but on average I say once
15 15 every 2 weeks in -- at his house.

16 16 Q. And that is here in Manchester?

17 17 A. That is in Manchester, yes.

18 18 Q. And how many people usually attend
19 19 these poker parties?

20 20 A. Between 8 and 14, 15 people. Not
21 21 everybody plays poker, obviously. But it is just
22 22 get together, make some Persian meal, Persian food
23 23 and just talking. And some people at the end of
24 24 the meal we start, sort of, playing poker. Some
25 25 people maybe play backgammon or just watch TV or
00020:01 1 have a drink.

02 2 Q. Did Mr Afsarpour ever mention
03 3 investing in ITMN at one of his poker parties?

04 4 A. He mentioned as we say probably it
05 5 was ITMN at the time was mentioned in the shares,
06 6 yes.

07 7 Q. Did he show you and other people at
08 8 the poker party a chart?

09 9 A. Yes.

10 10 Q. And do you remember what you looked
11 11 at on that chart? Or let me ask you, did you look
12 12 at the chart?

13 13 A. I looked at the chart. It was on
14 14 the -- I think it was a laptop. It was on the
15 15 laptop screen and he took me to the -- exactly the
16 16 year before at the time that night. So it was
17 17 about -- I think it was about March. Or was it
18 18 March or something? I think it was about March.
19 19 It was showing that the chart was -- the graph was
20 20 shooting up.

21 21 Q. In March?

22 22 A. I cannot remember exactly which

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23 23 month. But it was 1 month -- it was showing a
24 24 sharp rise very fast it was showing and coming
25 25 down again. But I did not know how many days it
00021:01 1 was that it stayed up actually, them shares.
02 2 Q. Mr Sepahpourfard, you are not a
03 3 frequent investor in securities, are you?
04 4 A. No. Not at all.
05 5 Q. And do you -- when looking at this
06 6 chart did you rely upon Mr Afsarpour's analysis of
07 7 it?
08 8 A. Sorry, can you repeat that?
09 9 Q. When Mr Afsarpour was describing
10 10 the chart to you did you trust his analysis of it?
11 11 A. No.
12 12 Q. Why not?
13 13 A. Because he was always, sort of,
14 14 wanted to show that he knows everything. I was,
15 15 sort of -- I was not buying it. But I did not know
16 16 anything about shares myself, but I was not buying
17 17 it that someone can go and pay a few thousands in
18 18 classes and these sort of things and learn all
19 19 these sort of things. It can be just pure luck
20 20 sometimes. But I could not get convinced. Maybe
21 21 I did not know anything about shares. So I was not
22 22 that bothered what he was saying. Maybe some of
23 23 the other people took him more serious. But I did
24 24 not.
25 25 Q. And you said you did not take him
00022:01 1 very seriously, or you did not take him too
02 2 seriously, is that right?
03 3 A. You know --
04 4 Q. That is what you just said?
05 5 A. -- that is right. We had few
06 6 times -- not few times, once or twice around when
07 7 he was doing the Vodafone about 2000 conversation
08 8 that he wanted to convince me that he knows, and I
09 9 wanted to convince him that he does not know. So
10 10 it was like a challenge. It was like a challenge
11 11 with each other, pulling each other's legs, sort
12 12 of. I do not know.
13 13 Q. So at this poker party that
14 14 Mr Afsarpour suggested or encouraged you and
15 15 others to invest in ITMN do you recall when this
16 16 occurred?
17 17 A. Which date you mean?
18 18 Q. Let us -- yes.
19 19 A. I cannot remember the exact date,
20 20 but it was --
21 21 Q. Do you recall what time of year?
22 22 A. -- it was a few days before
23 23 apparently it went up. Well, he bought the
24 24 shares. I do not know. It went up or he bought
25 25 the shares.
00023:01 1 Q. When Mr Afsarpour showed you the
02 2 chart on the laptop did he tell you if he had been
03 3 investing in this share or not?
04 4 A. I do not know. It depends. Yes,
05 5 probably he was saying that he is buying some.
06 6 Q. Did you ultimately decide to
07 7 invest, to put money into the investment as well?
08 8 A. Not at the beginning, but as I
09 9 previously at the interview said that he is my
10 10 friend. I was just -- the day that he was talking
11 11 about the shares, the night on the poker game, it
12 12 was more than support. Sort of, more like a
13 13 support that I was giving him that to, sort of, I

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14 14 was saying that, okay, I might buy some shares.
 15 15 Q. When you agreed to buy some shares
 16 16 did you open your own brokerage account like you
 17 17 did when you invested in Eurotunnel?
 18 18 A. I did not open anything. I do not
 19 19 know. I just put some money in Farhang,
 20 20 Mr Afsarpour's account and I said, "do whatever
 21 21 you think is right".
 22 22 Q. How much money did you give
 23 23 Mr Afsarpour?
 24 24 A. It was \$3,000.
 25 25 Q. And how did you get it to him?
 00024:01 1 A. From my bank went to his bank.
 02 2 Q. You wired it?
 03 3 A. I think it was wired. Yes. I think
 04 4 so.
 05 5 Q. Why did you not open your own
 06 6 brokerage account?
 07 7 A. At the time I was not interested in
 08 8 any of these sort of things, because ...
 09 9 Q. So instead you just wired the money
 10 10 to Mr Afsarpour?
 11 11 A. (Witness nodded).
 12 12 Q. Do you know if anybody else
 13 13 invested?
 14 14 A. Mr Vasseghi, Shahrokh Vasseghi, at
 15 15 the time, and he was unsure so one of the nights
 16 16 that we were talking about it actually at
 17 17 Farhang's house, it was on one of the poker nights
 18 18 at the end of the night, sort of, arguing. Then
 19 19 me and Shahrokh when they came out to go home came
 20 20 down from the apartment in the car park and we
 21 21 started talking, Shahrokh wanted to know should
 22 22 they put some money, and I said just I am going to
 23 23 put just a little because I am not sure. Put
 24 24 whatever you can afford to lose because you do not
 25 25 know I have seen people buying Vodafone that lost
 00025:01 1 a bit of money. I also bought -- like Eurotunnel
 02 2 I lost money in 1980s. Just if you trust you are
 03 3 talking about you can trust Mr Afsarpour. He is
 04 4 not going to run to Mexico with your money. He is
 05 5 going to invest it and whatever.

7. PAGE 25:17 TO 26:19 (RUNNING 00:01:23.575)

17 17 Q. Now, when you gave the money to
 18 18 Mr Afsarpour what did you think you were investing
 19 19 in?
 20 20 A. Shares. Buying some shares. I
 21 21 thought I buy 3,000 worth of shares. I looked at
 22 22 if I lose because I look at the shares, the chart,
 23 23 and he showed me that the lowest point was
 24 24 about -- I think at that time it was \$8 or \$9 on
 25 25 the shares. So I thought if I am buying it it was
 00026:01 1 about \$13 or \$14 that time, if I am buying it much
 02 2 and it comes down so much I do not think I will
 03 3 lose more than \$700, \$800. \$700 pounds or
 04 4 dollars. Something like that. So I did not think
 05 5 it was too much of a loss.
 06 6 Q. Did you ever ask Mr Afsarpour what
 07 7 the investment was going to be in? What type of
 08 8 security?
 09 9 A. Did I ask if it is going to --
 10 10 Q. Did you ever ask if it was going to
 11 11 be into shares? That Mr Afsarpour was going to buy
 12 12 shares with the money you gave him?
 13 13 A. -- I cannot remember specifically

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14 14 what I said, but I think just whatever you like to
 15 15 do.
 16 16 Q. What -- from the context of the
 17 17 conversation that you had with Mr Afsarpour did
 18 18 you think you were investing in shares? Buying
 19 19 actual shares?

8. PAGE 27:01 TO 27:12 (RUNNING 00:00:37.966)

00027:01 1 THE WITNESS: All right. Yes, I
 02 2 thought it was just shares, yes.
 03 3 Can I interrupt you? I think just
 04 4 after I said just few months ago I realised that
 05 5 he bought some options that my money also could
 06 6 have been options, but I do not know what sort
 07 7 of -- because apparently they bought some 10 pence
 08 8 options or 5 pence option, I do not know, it is
 09 9 some sort of very low options, but I do not know
 10 10 whether my money -- because I got only about -- in
 11 11 my hand I got only #13,000 back. So I presume he
 12 12 got some shares for me.

9. PAGE 27:19 TO 29:14 (RUNNING 00:02:37.605)

19 19 Q. You said just a moment ago that you
 20 20 got some money back, how much did you get back?
 21 21 A. In my hand I think it was around
 22 22 #13,000 I got back.
 23 23 Q. Did there come a time -- well, so
 24 24 the -- whatever investment you made the price went
 25 25 up?
 00028:01 1 A. Yes.
 02 2 Q. And so you made money off the deal?
 03 3 A. Yes.
 04 4 Q. Do you recall when you learned that
 05 5 the price of the stock, the shares had gone up?
 06 6 A. I cannot remember exactly when, but
 07 7 I know that I look at the chart and I think at one
 08 8 time it was showing about -- around \$30, but --
 09 9 and I remember that I had a conversation, I said
 10 10 why don't you sell it, and I am not sure if it was
 11 11 Mr Afsarpour who was in Manchester or was in Iran
 12 12 at that time, but I can remember that I asked him
 13 13 why don't you sell. He said if you wait longer we
 14 14 can maybe go higher, higher, and he proved me
 15 15 wrong again and it went higher. So it went to
 16 16 around \$50.
 17 17 Q. Did Mr Afsarpour tell you why he
 18 18 thought the shares would go higher?
 19 19 A. I cannot remember. Maybe he said
 20 20 that it is options or maybe he said that just
 21 21 wait. If it starts coming down. I cannot
 22 22 remember why. I would not have understood if he
 23 23 said why.
 24 24 Q. But you wanted to get your money
 25 25 out earlier?
 00029:01 1 A. I got some profit I wanted -- it
 02 2 did not matter. I said if I lose I lose. I left
 03 3 it to him whether he want to sell it or buy.
 04 4 Q. Now, have you ever heard of a
 05 5 company named InterMune?
 06 6 A. I have heard it from -- I cannot
 07 7 remember, was it on the Internet or was it from
 08 8 yourselves that I think after these deals or
 09 9 whatever happened I think it was a page on the
 10 10 Internet on the Bloomberg or something that it was
 11 11 showing that -- was it ITMN, or was it the
 12 12 InterMune that the investigation is starting.

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13 13 Something like that it was. That was after the
14 14 shares went up.

10. PAGE 29:25 TO 31:19 (RUNNING 00:02:19.930)

25 25 Q. Did Mr Afsarpour ever tell you that
00030:01 1 his accounts had been frozen?
02 2 A. Bal Nijjar, as you have, Mr Bal
03 3 Nijjar, who is a pharmacist. I remember that he
04 4 said that Mr Bal Nijjar's account was apparently
05 5 stopped. Not himself.
06 6 Q. Mr Afsarpour never told you that
07 7 his accounts had been frozen?
08 8 A. No, never. But I think the only
09 9 thing that he could not do any work with the IG
10 10 account in Iran. He was in Iran and he rang -- I
11 11 do not know whether he rang or he emailed me that
12 12 I cannot do that. I do not know whether it is
13 13 closed or what or I cannot do any transaction, can
14 14 you open an account for me in IG. So that is -- I
15 15 did in case that I want to learn it myself in
16 16 future. So I opened the account for him. But I
17 17 do not know if any of his banks has been shut or
18 18 something.
19 19 Q. When did you open the account with
20 20 IG that Mr Afsarpour told you to open?
21 21 A. Sorry.
22 22 Q. Do you recall when you opened that
23 23 IG account?
24 24 A. I do not know whether it was email
25 25 or was it a phone call.
00031:01 1 Q. No, it is when?
02 2 A. Oh, when. I do not know. I can
03 3 check my emails, but it was Farhang, Mr Afsarpour
04 4 was in Iran, but I cannot recall when it was. Was
05 5 it -- it was definitely after the shares went up,
06 6 obviously, and so if it was -- I do not know if it
07 7 was still 2010 or 2011.
08 8 Q. Did you ever learn what the company
09 9 named InterMune did?
10 10 A. When you say, yes, I can, sort of,
11 11 vaguely recall InterMune, obviously, something to
12 12 do with chemical or maybe drugs so -- but I did
13 13 not ask. I do not know --
14 14 Q. Did you ask Mr Afsarpour that?
15 15 A. -- no.
16 16 Q. Did you learn that on your own?
17 17 A. I learned it, I think, again, I
18 18 read it on the Internet maybe, but I do not know
19 19 exactly what they did.

11. PAGE 31:25 TO 33:09 (RUNNING 00:01:39.798)

25 25 Q. Did you ever learn of a
00032:01 1 Sasan Sabrdaran that Mr Afsarpour knew?
02 2 A. I cannot know the surname. If you
03 3 say it again, please?
04 4 Q. Sabrdaran?
05 5 A. I do not know. I never seen him.
06 6 Despite that Mr Afsarpour -- I have seen Mr Sasan
07 7 years ago when I came from the States to
08 8 Manchester, but I do not recall. Not at all. I
09 9 cannot remember that I have seen him.
10 10 Q. Mr Afsarpour told you that you met
11 11 a friend of his named Sasan here in Manchester, is
12 12 that right?
13 13 A. That was after talking about
14 14 someone being in the company, Sasan. He said you

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15 15 have seen him? I said no, never.
16 16 Q. Who said that Sasan worked at the
17 17 company? Who told you that?
18 18 A. After the shares apparently
19 19 Mr Afsarpour himself.
20 20 Q. Did he say anything else?
21 21 A. I do not know what year. I cannot
22 22 recall what year.
23 23 Q. It was after the shares had gone
24 24 up?
25 25 A. It was definitely after the
00033:01 1 shares...
02 2 Q. What did Mr Afsarpour say about the
03 3 Sasan that he knew who worked at the company?
04 4 A. After the shares --
05 5 Q. After the shares went up.
06 6 A. -- I do not know. He just -- the
07 7 guy is working. They had -- he knows his family
08 8 in Iran. You have seen him, Sahab, he said. I
09 9 said I do not recall. Apparently he was helping

12. PAGE 33:14 TO 33:16 (RUNNING 00:00:06.869)

14 14 Q. Now, Mr Sepahpourfard, Mr Afsarpour
15 15 is a friend of yours?
16 16 A. Of course, yes.

13. PAGE 34:02 TO 37:03 (RUNNING 00:04:13.706)

02 2 Q. Mr Sepahpourfard, during the break
03 3 I asked you to write down your name, your phone
04 4 numbers and your email address on a sheet of
05 5 paper, is that right?
06 6 A. That is right. Yes.
07 7 Q. Handing you what the Court Reporter
08 8 had marked as Exhibit 27, are those phone numbers
09 9 the numbers that you had in 2010, to the best of
10 10 your recollection?
11 11 (Exhibit 27 marked for identification)
12 12 A. Correct, yes.
13 13 Q. And is that email address the email
14 14 address you had in 2010 to the best of your
15 15 recollection?
16 16 A. Yes.
17 17 Q. And are those the numbers and email
18 18 address that you wrote down and I had asked you to
19 19 do?
20 20 A. Yes.
21 21 Q. Thank you. Now, I just have a few
22 22 follow up questions, sir, we talked a little bit
23 23 about Sasan earlier in this deposition, at the
24 24 poker party when Mr Afsarpour encouraged you and
25 25 others to invest in ITMN did Mr Afsarpour mention
00035:01 1 that he knew somebody that worked at the company?
02 2 A. I do not recall anything like that
03 3 at all.
04 4 Q. At any time prior to the poker
05 5 party that Mr Afsarpour encouraged you to invest
06 6 in ITMN did Mr Afsarpour mention that he knew
07 7 somebody who worked at the company?
08 8 A. No, he did not.
09 9 Q. Now, do you recall the time between
10 10 the poker party and the time you provided
11 11 Mr Afsarpour the money for the investment?
12 12 A. Do I remember the time between the
13 13 poker and the time that I ... I remember I came
14 14 down, as I said, with Mr Vasseghi into the -- I
15 15 came down to the car park below his apartment, and

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16 16 we talk about the buying or not buying, and I was,
 17 17 sort of, not convincing Shahrokh, but I was
 18 18 convincing Shahrokh because Shahrokh know
 19 19 Mr Afsarpour since, I think, it is about nearly --
 20 20 it is not -- I do not know if it is 10 years. It
 21 21 is not 10 years, maybe 8, 9 years. So I was
 22 22 saying that I know Farhang, he is not a person who
 23 23 is going to escape with your money. If you give
 24 24 any money to him he is going to put it wherever he
 25 25 thinks is okay. He is not going to escape with
 00036:01 1 your money basically. And I said to him if you are
 02 2 doing shares just be careful because shares, the
 03 3 same speed they can go up they can come down twice
 04 4 as fast. So just be careful what you doing. I
 05 5 put \$3,000. Maybe you do whatever you are
 06 6 comfortable with.
 07 7 Q. Was the time between your
 08 8 discussion with Mr Vasseghi at the poker party and
 09 9 the time you gave Mr Afsarpour the money, was it a
 10 10 matter of days?
 11 11 A. I cannot exactly remember, but I
 12 12 think so. I do not think it was more than 10 days
 13 13 or anything. It was within a few days anyway.
 14 14 Q. And the time that -- between the
 15 15 poker party where you had this conversation with
 16 16 Mr Vasseghi and the time that the shares went up
 17 17 was that a matter of days?
 18 18 A. Umm.
 19 19 Q. If you recall?
 20 20 A. I cannot remember, but I think it
 21 21 was at least 2 weeks. I cannot exactly remember.
 22 22 Q. Okay. I asked you a couple of
 23 23 questions just before the break, Mr Afsarpour is a
 24 24 close friend of yours?
 25 25 A. Yes. Yes.
 00037:01 1 Q. You do not want to see anything bad
 02 2 happen to Mr Afsarpour, do you?
 03 3 A. No. Unless I do it myself. No.

14. PAGE 37:08 TO 38:23 (RUNNING 00:02:27.441)

08 8 Q. You testified this morning that you
 09 9 have known Mr Afsarpour for a number of years?
 10 10 Over 20 years?
 11 11 A. About 34 years, 35 years. Yes.
 12 12 Q. What type of person would you
 13 13 describe him to be in terms of his character?
 14 14 A. He is very positive. He is the
 15 15 most positive person I have seen. I do not know
 16 16 if he is a bit stupid or positive. I do not know.
 17 17 He is somewhere in between. But he is very
 18 18 helpful. He is quite ... sometimes we have to help
 19 19 him with the words. He is very persuasive
 20 20 sometimes. He can be -- sometimes he can be big
 21 21 headed. But he is always ready to help other
 22 22 people. If you are short of money you do not need
 23 23 to ask him. He comes and says how much do you
 24 24 need. That is the kind of person he is.
 25 25 Q. To your knowledge is he involved in
 00038:01 1 any local charities?
 02 2 A. Yes. Yes.
 03 3 Q. What charity is that?
 04 4 A. It is to help the kids in Iran, it
 05 5 is the -- the charity name is, sorry, just my mind
 06 6 is everywhere. It is a charity for kids. The Hero
 07 7 charity, yes.
 08 8 And also in this charity one day

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09 9 Mr Afsarpour came to he and said that I need you
 10 10 to put name down for me, I want to open this
 11 11 charity, this branch here in England, but it has
 12 12 to be, I do not know, 3 or 4 people as trustees
 13 13 and this, so would you be able to do that for me.
 14 14 At first I said, yes, children, but I do not want
 15 15 to be in this charity. But I think he needed a
 16 16 couple of people. So eventually I agreed and I
 17 17 gave my name to put as trustee there. That the
 18 18 money that goes has to be, sort of, see if it is
 19 19 right or wrong. So as a trustee I was -- go to a
 20 20 charity with him.
 21 21 Q. So you are involved in this charity
 22 22 with him as a trustee?
 23 23 A. That is right, yes.

15. PAGE 39:14 TO 40:04 (RUNNING 00:00:57.386)

14 14 Q. I want to ask you about a little
 15 15 bit different subject, is it unusual for
 16 16 Mr Afsarpour to share his ideas about investments
 17 17 with others?
 18 18 A. Unusual?
 19 19 Q. Yes.
 20 20 A. No, not all. No. He always think
 21 21 big. He wanted to open a chain of business about,
 22 22 I do not know, 100 fish and chip shop in England.
 23 23 I said, well, you are just dreaming. You better
 24 24 start opening one or two first, see how it goes.
 25 25 But he always got ideas. He always comes with
 00040:01 1 ideas. He wanted to go partner with Mr Vasseghi
 02 2 on a couple of occasions in America. I mean in
 03 3 Canada and also in England to do some sort of
 04 4 business. But every time it did not happen.

16. PAGE 40:05 TO 41:05 (RUNNING 00:01:17.664)

05 5 Q. And this poker party that you
 06 6 described have you attended more than one poker
 07 7 party that Mr Afsarpour --
 08 8 A. Oh, yes, many times.
 09 9 Q. -- and at this poker party at his
 10 10 flat is it -- what night of the week typically --
 11 11 A. It is usually week-end. It is
 12 12 usually Saturday and Sundays. Very -- I mean not
 13 13 one in 10 maybe, but it is usually Saturday and
 14 14 Sundays.
 15 15 Q. -- is there a regular group of
 16 16 people who typically go?
 17 17 A. We have like 5 or 6 at least, maybe
 18 18 more. 7 or 8 regular. And the others, some
 19 19 people coming from Sheffield, some people coming
 20 20 from London. It depends. I mean, you cannot
 21 21 manage more than 12, 13, 14 people maybe. So it
 22 22 is usually about average of 12 people there. So I
 23 23 cannot tell that it is always from Sheffield.
 24 24 Sometimes a mixture.
 25 25 Q. And does Mr Afsarpour talk about
 00041:01 1 investments or ideas he has about making money at
 02 2 these parties?
 03 3 A. Always.
 04 4 Q. Always?
 05 5 A. Always. Yes.

17. PAGE 42:16 TO 43:03 (RUNNING 00:00:38.578)

16 16 Q. Do you remember him, without
 17 17 necessarily recalling specific investments, do you

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18 18 remember him talking about investments at other
 19 19 poker parties over the years?
 20 20 A. About this share?
 21 21 Q. No, just about other investment
 22 22 ideas he had with people at these poker parties?
 23 23 A. Yes. He quite often talks about --
 24 24 I mean, he has done a couple of businesses with
 25 25 people out of these conversations. But I do not
 00043:01 1 know what is what. But he bought a couple of more
 02 2 shops, 2, 3 more shops. But I do not know exactly
 03 3 what is happening.

18. PAGE 43:04 TO 43:14 (RUNNING 00:00:28.597)

04 4 Q. And you mentioned a poker party,
 05 5 would you describe Mr Afsarpour as a person who
 06 6 likes to gamble?
 07 7 A. He is a gambler. He is -- of
 08 8 course he is a gambler. He is a gambler, yes.
 09 9 Q. Did it surprise you that he invests
 10 10 in the stock market or that type of market?
 11 11 A. Does he talk to me about it?
 12 12 Q. No, does it surprise you that he
 13 13 invests in the stock market given his personality?
 14 14 A. No, not at all.

19. PAGE 44:16 TO 45:04 (RUNNING 00:00:44.554)

16 16 A. That is right, yes, correct, yes.
 17 17 Q. Did he say anything to you about
 18 18 having inside or confidential information
 19 19 regarding ITMN?
 20 20 A. Not at all.
 21 21 Q. Did he act suspicious or secretive
 22 22 when he was talking about investing in ITMN?
 23 23 MR SMITH: Objection, vague. You
 24 24 can answer.
 25 25 A. He never -- he is never secretive
 00045:01 1 actually. He is never secretive. He is a very,
 02 2 very open person. He just -- what can I say, he
 03 3 is a very open person. He does not have anything
 04 4 to hide.

20. PAGE 45:05 TO 45:12 (RUNNING 00:00:22.202)

05 5 BY MR COOKE:
 06 6 Q. So the conversation that he had
 07 7 with you and others at this poker party about
 08 8 ITMN, was it -- did it strike you as unusual in
 09 9 any way given your history and experience with
 10 10 him?
 11 11 A. Nothing unusual, no. That is his
 12 12 character that he is. Never unusual.

21. PAGE 45:22 TO 46:02 (RUNNING 00:00:19.001)

22 22 Q. So you testified earlier that
 23 23 during the time when Mr Afsarpour was suggesting
 24 24 that you purchase or invest in InterMune that he
 25 25 did not tell you he knew anybody who worked at
 00046:01 1 InterMune, correct?
 02 2 A. Correct.

22. PAGE 46:22 TO 49:18 (RUNNING 00:04:36.685)

22 22 Q. If you had known that Mr Afsarpour
 23 23 knew somebody at InterMune when he was encouraging
 24 24 you to invest in the company would you have
 25 25 invested your money in the company?

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00047:01 1 A. If -- did you say if I knew if
 02 2 Mr Afsarpour knew someone in the company that he
 03 3 would have ...
 04 4 Q. I will ask you, if Mr Afsarpour had
 05 5 indicated to you that he knew somebody in the
 06 6 company would you have invested in the company?
 07 7 A. If you know somebody in the company
 08 8 that -- it depends. I mean, it can always help on
 09 9 the investment. It is like getting a tip. But it
 10 10 depends what, sort of -- how they know what it is.
 11 11 Q. If Mr Afsarpour had indicated to
 12 12 you that he had insider information about the
 13 13 company would you have invested in the company?
 14 14 A. What side of inside information you
 15 15 are talking about? If you are saying inside
 16 16 information?
 17 17 Q. Information that is not available
 18 18 to the public.
 19 19 A. Oh, right, okay. I do not know. I
 20 20 do not ... it is a silly question. I do not know.
 21 21 I do not know. I cannot tell what sort of --
 22 22 because I did not know maybe -- I do not know what
 23 23 it is. What sort of -- what they wanted to do
 24 24 with it. I do not know. I am not that comfortable
 25 25 with it.

00048:01 1 Q. What do you mean you are not that
 02 2 comfortable?
 03 3 A. It is -- I do not know. If it is
 04 4 something secret, obviously, secret, if I know --
 05 5 my first wife used to work in a big company and
 06 6 used to be a lot of secret papers and about
 07 7 properties and these sort of things, so I know
 08 8 secret -- how it is, sort of, that once something
 09 9 is secret so it is dangerous. You can play with
 10 10 fire.
 11 11 Q. So if Mr Afsarpour had indicated to
 12 12 you that he had information about the company that
 13 13 he was not supposed to have?
 14 14 A. He never said that --
 15 15 Q. Would you have invested?
 16 16 A. -- he never mentioned any -- that
 17 17 he knows anybody in this company to me at least. I
 18 18 do not know about the others. If they know this
 19 19 person in this company. But I cannot recall that.
 20 20 I do not remember that. Even if he said -- even he
 21 21 said the name of Sasan somewhere I would not have
 22 22 put the name and the company together or anything
 23 23 like that because I do not know Sasan. I have not
 24 24 seen him.
 25 25 Q. Are there shares in other companies

00049:01 1 that Mr Afsarpour has encouraged you to invest in?
 02 2 A. Shares, before this or after you
 03 3 are talking about?
 04 4 Q. Before?
 05 5 A. Yes, he used to ask me to buy like
 06 6 Vodafone and Nokia. I do not know, a couple of
 07 7 other things maybe. But I cannot remember what
 08 8 they were called.
 09 9 Q. Was there anything unusual about
 10 10 Mr Afsarpour's encouragement to buy InterMune
 11 11 compared to his encouragement to buy shares in
 12 12 other companies in the past?
 13 13 A. I think it was not unusual for him
 14 14 to be sure of something because he is a bit big
 15 15 headed. But he was saying that he is sure if it
 16 16 goes up it might happen again because it happened

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17 17 the previous year, so he was saying just it was
18 18 worth taking a risk. That is what he was saying.

23. PAGE 49:21 TO 49:25 (RUNNING 00:00:20.378)

21 21 When Mr Afsarpour was encouraging you to buy
22 22 shares in InterMune did he have a sense of urgency
23 23 about it? Let me be more specific, did
24 24 Mr Afsarpour suggest that if you were to buy
25 25 shares in InterMune you should do it quickly?

24. PAGE 50:02 TO 50:09 (RUNNING 00:00:33.272)

02 2 A. I think the reason was that he was,
03 3 sort of, busy or something that he said just do
04 4 not wait too long. Just decide quickly and just
05 5 do it because he has been saying it for days and
06 6 nobody was doing anything. So he was always just
07 7 saying that just make up your mind, are you buying
08 8 or not. Do not waste my time. That sort of
09 9 thing. So as I said I went to him as support.

25. PAGE 50:16 TO 51:12 (RUNNING 00:01:05.837)

16 16 Q. When Mr Cooke was asking you
17 17 questions you responded that it was not -- the way
18 18 that Mr Afsarpour was encouraging you and others
19 19 to invest in ITMN was not unusual, do you recall
20 20 that?
21 21 A. I think so. Yes.
22 22 Q. Was it the same way that he
23 23 encouraged you to purchase stock in Vodafone?
24 24 A. The same way, maybe it is more
25 25 committed because of, you know, it is a few years
00051:01 1 since he has been doing it so maybe he was
02 2 committed to, sort of, do as I say sort of thing
03 3 and follow me.
04 4 Q. Did you invest in Vodafone stock
05 5 when Mr Afsarpour asked you to?
06 6 A. No.
07 7 Q. Did you invest in -- other than
08 8 ITMN did you invest in any other stock suggestion
09 9 that Mr Afsarpour provided to you?
10 10 A. No, I did not.
11 11 Q. ITMN was the only one?
12 12 A. ITMN was the only one, yes.

TOTAL: 1 CLIP FROM 1 DEPOSITION (RUNNING 00:48:32.588)